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Foreword

During the course of thirty years the Vietnamese people undertook two wars of liberation against two big imperialist powers: France and the USA. This war effort was successful principally because of the just economic policy which was observed in conjunction with the political and armed struggle. Obviously the front could fulfil its fighting tasks only thanks to the existence of well-organized rear bases.

Before concentrating its efforts on problems of development, the Vietnamese revolutionary movement endeavoured first to make radical changes in production relations — an absolute necessity for the remodelling of the national economy. The colonial and feudal economy had to be transformed into an independent national one. Then the small, individual production economy had to be converted into a large-scale, socialist production economy. It can be said that the abolition of colonial and feudal socio-economic structures, with the agrarian reform as its main component, constituted the essential background for the first resistance from 1946 to 1954. The fight against US

aggression began at a time when North Viet Nam had already laid the foundations of its socialist structures; it was the socialist regime which allowed the North not only to resist victoriously the US bombardments but also to serve as a great rear-base for continuing struggle in the South.

It must be emphasized that without appropriate measures in agriculture the first war of national liberation could not have been won, and it follows that without the establishment of firm socialist government in North Viet Nam the struggle against US aggression, both in the North and in the South, would not have achieved the final great victory in 1975.

The present issue of Vietnamese Studies describes the stages and results of that economic policy which, from 1945 to 1975, underlies the national liberation struggle and makes an essential contribution to its victory.

The First Resistance

1945 – 1954

On September 23, 1945, twenty-two days only after the proclamation of independence and the founding of the Democratic Republic of Viet Nam which put an end to 80 years of French domination followed by 5 years of Japanese occupation, the French colonialists launched their war of reconquest in Saigon.

On December 19, 1946, the French armed forces attacked Hanoi, in the belief that a final blow could thus be struck at the Vietnamese national movement and reconquest of Viet Nam could then follow.

This attack was the signal for National Resistance to begin.

In a few days the armed struggle spread to the whole country. The young Republic, hardly one year old, had to take up arms to safeguard its independence.

Faced with the offensive capacity of a powerful and highly equipped enemy, the Vietnamese armed forces adopted a strategy of "long-drawn-out armed struggle" which entailed pulling out from cities and consolidating rural bases.

Thus it was essential to organize on all fronts—political, economic, social and military—for a *long Resistance*.

The Democratic Republic of Viet Nam, born of the August 1945 Revolution, came to life in a completely ruined land.

From the first days, it had to face complex problems.

Besides political and social obstacles there were serious *economic problems*, and the most urgent of these was the feeding of eight million North Vietnamese threatened by a recurrence of famine which

in 1944 and early 1945 had resulted in the death of two million people. This earlier famine had been the result of speculations and food hoarding practised by the French and Japanese administrations during a period of natural calamities. The State treasury was nearly empty (there were in all only 1,230,720 piasters of the Banque de l'Indochine of which 586,000 were in torn and unusable bank-notes) the harvest expected in the 10th lunar month of 1945 was unusually inadequate as a result of floods and droughts and proved "only enough to feed the population for three months", "the shortage up to the next harvest was about 850,000 tons of paddy."

To this hopeless economic situation must be added the lootings carried out by 200,000 Chiang Kai-shek troops, a gang of hungry bandits pilfering whatever came their way, hungry hordes which moreover had to be fed; they demanded 2,310 million piasters every month. Trade exchange with foreign countries was completely cut off; it was recorded that the proportion of illiterate people rose to 90 percent of the whole population.

Immediate emergency measures were taken "to feed millions of people and to supply in the coming months whole provinces where crops were short."

It was a real test, a "race against famine" which had to be won at all costs since the fate of the new regime itself was at stake.

"Step up production", "not an inch of fallow land", "not a single idle arm" — these slogans were simultaneously issued and widely distributed in a campaign to develop the growing of food crops and to promote a strict economizing of rice resources.

To lead this "food battle", committees for agricultural production were set up on November 15, 1945 at all levels. A government decree ordered the handing over of any land left fallow to whoever would till it. To expand the movement, other posi-

tive measures had to be taken: suppression of iniquitous taxation (poll-tax, forcible consumption of alcohol, sale of opium), exemption from land tax for small land-owners with less than 5 *mau* (1.5 hectares); total freedom of circulation for food grains. Everybody took part in this agricultural campaign, in the countryside as well as in the towns, fired by patriotic enthusiasm. Efforts were directed not only on rice, but also and even mainly on dry crops: sweet potato (which ripens in three months), maize, cassava, soya, etc. Other works were undertaken to protect crops; dykes were overhauled and made higher, dams and irrigation channels were repaired.

All these efforts yielded encouraging results: the 1945 winter harvest was gathered in good condition, and the 1946 5th-lunar-month harvest showed a definite increase compared with pre-war times; in those areas which had been most threatened by famine the 1945-46 agricultural campaign yielded a quantity of food equivalent to 2,072,000 tons of paddy (rice, maize, sweet potato, beans, cassava), that is 670,000 tons (or 48%) more than the yearly average of harvests between 1938 and 1943 in the same areas. This improvement enabled the allotment of 20 kilograms of food to each inhabitant every month (for 8,620,000 people).

For the whole of the North (down to the 16th parallel) with a population of 10.8 million people, the 1945-1946 crops totalled 2,592,000 tons of food as against a yearly average of 2,226,000 tons in pre-war times.

This food battle of an immense political and economic significance was won thanks to the individual efforts of everyone especially the peasants. The people felt they were more closely linked together, and the people's power, through this big test, revealed its capabilities in organising and mobilising the masses.

Simultaneously with the fight against famine, was waged an energetic fight against illiteracy, for "an ignorant people is a weak people,... hunger and ignorance are allies to the enemy."

To this end, on September 8, 1945 the Department of Popular Education was formed and a campaign was mounted to mobilize the people of all ages and all walks of life to attend classes.

Here again difficulties were overcome "by relying on the masses".

This wide and deep popular movement yielded in one year, from September 1945 to September 1946, conclusive results: 2.5 million people had learnt how to read and write in 75,000 classes where teaching was done free of charge by 95,000 teachers. The "*Quoc Ngu*" (or national tongue) battle" was to continue during the 9 years of armed resistance in spite of difficulties encountered in the atrocious war: 8 million people were thus freed from illiteracy, reducing the proportion of illiterates among the population from 90 percent to 60 percent at the end of 1953. In areas which had been occupied by the French the anti-illiteracy effort went on after their liberation in 1954. By the end of 1960, illiteracy was wholly overcome in the DRVN.

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The fight against illiteracy and the production drive were two closely connected campaigns which created the best conditions for starting to build a new economy. But the situation was one of war. The economy which should have been one of restoration and education in peace, was immediately transformed into a *war economy*.

This *national economy of resistance*, aimed at meeting the needs of a country at war, had to be built up with careful consideration of the character of the national resistance, its special requirements, form and development.

CHARACTERS OF THE RESISTANCE

The National Resistance, begun on December 19, 1946, continued the work of the August 1945 Revolution and fulfilled two strategic tasks: "to complete national liberation and the people's democratic revolution in the whole country" — Viet Nam was a colony with a semi-feudal society, and a population consisting predominantly of peasants.

The twofold task of the Resistance therefore consisted in liberating first the peasants from a double — feudal and colonial — oppression: the anti-feudal and anti-imperialist (anti-colonialist) struggles are thus simultaneous, one reacting inevitably upon the other. This is because the colonialist regime, once established, far from abolishing feudal political, economic and social structures, maintained and even consolidated them with a view to using them as a basis for its domination. Equally, the feudal class took shelter under the protection of the colonialist regime for its survival: one cannot be defeated if the other is not smashed, and conversely. The fight against these two closely linked foes cannot be waged separately, but a clear-cut distinction should be made between them in order to define against whom the fight should be concentrated at each given stage.

The Resistance war was a "people's war", since nearly all fighters of the People's Army and the guerilla forces were peasants; it is an *army of peasants*, with peasant-soldiers organised and fighting under the leadership of the working class.

In this historical context, the *national question* just as much as the *question of democracy* is essentially an *affair of peasants*, and the solution to this double problem — national and democratic — should be essentially a solution to be found among the peasants. One cannot liberate the nation without liberating the peasants from feudal and colonialist exploitation, just as it is impossible to defeat colonialism without defeating its political and social mainstay — the feudal class. To link national liberation to the peasant liberation is the key to the victory of the revolution; to try to tackle these two problems separately would lead to inevitable failure. To talk of democracy would be meaningless without consideration of the necessity of abolishing the feudal oppression of the peasants. A national democratic and popular revolutionary movement is meaningless if it does not include the mobilisation and participation of the peasants for they constitute the essential element of that revolution.

Finally, Viet Nam's economy was an agricultural economy at subsistence level and since the main producers were peasants, the principal means of production was the land: feudal oppression is an *economic oppression*; the problem of peasants is essentially a *question of land*.

A sound economic policy for the resistance could not be promoted without defining a sound, appropriate land policy at each stage of the fight.

THE LAND REGIME UNDER FRENCH RULE

According to some historians, private appropriation of land appeared with the birth of the Vietnamese feudal state in the 12th century. Under French colonial rule social differentiation became more severely defined.

To the feudal relations of production which, far from being abolished, were maintained to serve the French domination, were added the colonial relations of production; and to the old contradiction between peasants and feudal landlords was added the contradiction resulting from the oppression of the Vietnamese people by French imperialism.

Viet Nam's economy which was essentially feudal was transformed into an economy with a double character: feudal and colonial.

In a country where 90 percent of the population draw their sustenance from agricultural labour, land ownership constitutes the basis for relations of production. The answer to this question: "To whom does the land belong?" is therefore of paramount importance.

1. Private Appropriation of Land

According to French documents and statistics, otherwise not very worthy of credence, land appropriation in 1930 was as follows:

Land holdings	Number of landowners	% of total	Areas appropriated (in hectares)	% of total
Below 5 ha	1,776,200	94.8	1,225,000	28.5
From 5 to 50 ha	92,150	4.9	1,210,000	28.1
Over 50 ha	6,530	0.3	1,355,000	31.5
Communal lands	—	—	510,000	11.9
Total	1,874,880	100	4,300,000	100

Yves Henry : *L'économie agricole de l'Indochine*, Hanoi, 1932.

A direct conclusion may be drawn from this table : out of 4 million peasant households throughout Viet Nam in 1930 ; 1,874,880 were "landowners"¹ ; over 50% of peasant households were therefore totally deprived of land.

Land concentration was more acute in Nam Bo (Cochinchina) as is shown in the following table :

1. Always according to Yves Henry, Viet Nam's population in 1930 rose to 17.5 million inhabitants : 8 million for Bac Bo (Tonkin), 5 million for Trung Bo (Annam) and 4.5 million for Nam Bo (Cochinchina). As peasants constituted more than 90 percent of this population there were consequently 4 million peasant households with on an average 4 persons per household. The 1,874,880 "land-owners" given by Yves Henry included also *French landowners*. It should be noticed that the designation "landowner" used by Yves Henry is vague, since they include "owners" having each hundreds, even thousands, of hectares, as well as those having each only one-thousandth of a hectare.

Land holdings	Number of land owners	% of total	Areas appropriated (in hectares)	% of total
Below 5 ha	183,000	71.7	345,000	15
From 5 to 10 ha	65,790	25.8	850,000	37
Over 50 ha	6,300	2.5	1,035,000	45
Communal lands	—	—	70,000	3
Total	255,090	100	2,300,000	100

(Yves Henry — *op. cit.*).

This situation is confirmed by the detailed estimate of land ownership in five big rice-producing provinces of the Mekong Delta (My Tho, Cholon, Can Tho, Tan An, Bac Lieu) which cover one-third of all cultivated areas in Nam Bo:

Land holdings	Number of land owners	% of total	Areas appropriated (in hectares)	% of total
From 0 to 5 ha	56,487	67	122,228	13.4
From 5 to 10 ha	14,100	16.7	105,322	12.6
From 10 to 50 ha	11,493	13.6	230,996	27.6
Over 50 ha	2,335	2.7	388,843	46.4
Total	84,415	100	847,389	100

(Yves Henry — *op. cit.*).

Thus in Nam Bo, landowners with 0.5 ha. had only 15 percent of all lands as against 28.5 percent for the whole country; among the 6,500 big landowners — French and Vietnamese — who appropriated each over 50 ha, 6,300 (96.5 percent of the total) were in this region and grabbed 45 percent of all

lands; the percentage of landless peasants was exceedingly high (745,000 out of a total of one million households, or almost 75 percent as against 50 percent for the whole country), the number of land-owners represented only 25 percent of the total of households.

In Bac Bo (North Viet Nam) and Trung Bo (Central Viet Nam) the degree of land appropriation by land-owners was very low. 3.2 percent of the population appropriated 24.5 percent of the total area; it can be observed that there was much difference between various social strata as far as appropriation was concerned: a member of a landlord family possessed 8 times more land than a middle peasant, 24 times more than a poor peasant, and 81 times more than a landless or wage-earning peasant.

**STATE OF LAND OWNERSHIP IN 1945 IN BAC BO
(NORTH VIET NAM)**

Land owners	Areas appropriated (in hectares)	% of total	Average areas appropriated by a family member (in sq. metres)	Average areas appropriated and used by a family member (in sq. metres)
French colonialists	15,952	1.0		
Church	23,928	1.5		
Landlords	390,825	24.5	10,093	11,356
Communal lands	398,801	25.0		
Rich peasants	113,259	7.1	3,972	4,679
Middle peasants	462,609	29.0	1,372	1,688
Poor peasants	159,520	10.0	432	680
Wage-earning peasants	17,547	1.1	124	252
Others	12,761	0.8	236	283

Landlords made up 2.5 percent of the total of peasant households. Out of the whole population: 3.2 percent were landlords, 31 percent were middle peasants; 58.9 percent were poor peasants and wage-earning landless peasants.

(Statistics compiled by the Central Committee for Land Reform in 3,653 communes of the Bac Bo Delta and Midlands).

It should be noted that lands appropriated by landlords were always the most fertile and that an overwhelming extent of communal lands was grabbed by them, so that in reality it can be said that they grabbed 45-50 percent of all lands.

The following table can be approximately established concerning land ownership in Viet Nam prior to the 1945 August Revolution (out of a total area of 5 million hectares).

French concessions	9 percent
Land of the Church	1 —
Communal lands	10 —
Big and small landlords	50 —
Wage-earning and landless peasantry	30 —
	100

(Report by Premier Pham Van Dong to the DRVN First National Assembly, 3rd session, December 1-4, 1953)

In simple terms it can be said that even though they represented 5 percent of the population, the class of landlords grabbed 60 percent of cultivated lands (including communal lands), while the working peasantry which represented 90 percent of the total population owned only 30 percent of cultivated lands.

How can one call "landlord" a peasant who owns 5 hectares of land ?

In colonial and feudal Viet Nam, the majority of the population drew their means of existence from agricultural work and the "rush for lands" with its corollaries — the competition for land rent and usurious rates of interest through land monopoly and political coercion — constituted the best investment for owners, contrary to the conditions in Western countries where feudal vestiges had been liquidated and capitalist exploitation had already been introduced into agriculture. Added to this, the excessive parcelling out of land into small holdings and the huge concentration of population in the Bac Bo and Trung Bo deltas contributed to the critical state of land ownership. However what is important is not so much the size of the holdings as the relations of production which developed between various social classes in the countryside defined as follows :

- landlord
- rich peasant
- middle peasant
- poor peasant
- landless peasant

It is therefore important to define exactly the role of each stratum of the peasant class in agricultural production and its relations towards the main means of production — that is land.

*
* *

The colonial regime, in order the better to exploit the population and consolidate its positions, had maintained feudal vestiges in their essential forms, thus aggravating the feudal regime :

"They hold in respect the indigenous system of ownership which was very well

defined and not defective in certain points; the principle of indigenous ownership was not transformed, it was left as it was, and was only provided with a better organisation."

(P. Viellard "Le paysannat indochinois" report presented to the international and intercolonial Congress of the indigenous society — Paris International Colonial Exhibition, 1931, Vol. II, page 53).

For their part, the feudalists relied on the colonial administration to strengthen their economic and political power which was under threat and to build up colossal fortunes on the peasants' backs. They thus found themselves in the role of "liaison agents between the colonial administration and the village" and the feudal system of mandarins and notables (in provinces, districts, cantons, communes and villages) became an integral part of the colonial system.

The collusion between feudalists and colonialists was permanent, each supporting the other in the grabbing of land, the expropriation and persecution of peasants, the repression of revolutionary movements, the collecting of taxes, the "maintenance of order", the pressganging of "coolies" for rubber plantations and mines, and so on.

Land accumulation by feudalists which was born under the feudal regime, was further reinforced under the colonial regime. These collaborators working together employed every means to further their ends.

Traitors obtained from their French bosses concession rights, "reclamation permits" concerning thousands of hectares, mostly already under cultivation by peasants for many years. They thus "legally" founded farms and received rents. Peasants who opposed this looting were ferociously cracked down upon by troops under pretext of rebellion.

Here are some examples of this "legal appropriation": a feudalist, head of a province, and well known as an active and efficient informer for the French expeditionary corps during the "pacification" of Tonkin, requisitioned 1,800 hectares of foreshore reclaimed by Nam Dinh peasants. A despotic landlord, backed by his father, high official of the Hue Court and protégé of the Resident superior in Annam, grabbed 1,400 hectares from the peasants in Quynh Luu district, Nghe An province. A landlord in Ha Tinh province, in collusion with his daughter who had succeeded in seducing the French provincial governor, appropriated a 50-km-long section of a river and levied taxes on fishing.

The following story told by a French author shows how a feudal landlord was established with the blessing of colonial authorities:

"Bold peasants driven by misery came to work on virgin lands. They somehow or other reaped a first harvest which hardly refunded their expenditures. The yield was better at the second harvest. Now these farmers received, one day, with complete amazement, a visit from European and native civil servants who measured their fields in all directions, took surveys with sophisticated apparatuses, planted markers etc. The land, reclaimed by those audacious peasants, was, it appeared, destined to become a concession for the benefit of some unknown person who could be a rich landlord from another province or a secretary or interpreter at the French Residency, who would be well acquainted with formalities and exerted some influence on the local authorities."

(René Bouvier. — *Richesses et misère du delta tonkinois* — Paris 1937 — page 57).

However, one rarely found Frenchmen who criticised "this policy of patronage by which the edifice of our colonial house was thought to rest securely on a minority elite supposedly attached to us on account of our having reserved for them the best lands, credit and influence — their ambitions being limited to the colonisation of ricefields, opposed only by the proletarian masses who were living on scanty wages and kept docile by means of usury and land rents."

(Yves Henry: "La question agraire en Indochine". *La Dépêche coloniale*, December 16, 1936).

The method, usually practised by feudalists to enlarge their estates, consists in lending money at usurious rates with land as surety. This policy had the result, particularly during periods of climatic calamities, that our peasants had to give up their ricefields to pay debts.

Other methods were resorted to by notables to get lands at ridiculously low prices. One was to hide prohibited material (weapons, opium) in peasants' houses and then to accuse them of rebellion or of communism and denounce them to the colonial authorities; another method was to exploit the peasants' religious prejudices; to multiply ritual festivities; to open gambling houses; to provoke brawls and litigation between peasants. In short, to enrich themselves at the expense of the peasants, the feudalists shrank from nothing and even committed crimes.

Political violence always goes hand in hand with economic violence: no opportunity, however mean, was neglected by these landlords to expropriate our poor peasants, who produced rice but died from starvation.

As the main wealth of the country comes from agriculture the feudalists' greed for land ownership and their efforts to enrich themselves by collecting land rents were without limit.

Holding the monopoly of land, they reigned over the countryside as absolute masters. Through economic power they gained political power which, in turn, paved the way for new "appropriations" through either forcible purchases at absurdly low prices or grabbing without compensation.

Such economic notions as "locative value of land", "land investment of capital", have very little meaning here. In a feudal country, "land trade" is but an appropriation to be effected only by those who are in a strong position — economic or political — and the grabbing of peasants' land was backed not only by money but mainly by political violence. The landlords' method was not to invest their money in land in order to undertake an agricultural exploitation according to capitalist principles; instead they used economic and political coercion to appropriate land in order to gain as much as possible from land rent collected in kind then transformed into money in the grain market over which they had established a monopoly.

In Bac Bo and Trung Bo land grabbing was mainly effected by "nibbling" on account of the dividing up of ricefields and the existence of a large number of small producers — and a comparative scarcity of big landlords with large properties. Consequently here the feudal mode of exploitation by collecting land rents from the peasants was operating. In Nam Bo, agricultural exploitation had already taken a more developed capitalist form following the penetration of French commercial and financial capital into the countryside. Here collusion between local feudal landlords, French colonialists and commercial and financial monopolists was very apparent, and exploitation took two forms: feudal

and capitalist — by the exaction of land rent and by the exploitation of agricultural hired labour. The agricultural subsistence economy had been gradually transformed into a market economy for exportation. Moreover grabbing without compensation, usurious loans and the amassing of rice at dirt cheap prices directly resulted in the peasants' deprivation of land and wretched condition.

The French colonialists thus became the biggest landlords and the history of French domination is also that of the expropriation by the colonialists of peasants' lands.

In 1878 the colonial administration had granted the French colonists the right to be "exempted from taxes levied on concessions for the first four years." After this "legal landowners had to pay 10 francs per hectare" as from the fifth year. Although from the year 1889 each French concession was limited by virtue of an administrative decree "to a maximum of 500 hectares", the French colonialist Gobert managed to appropriate 11,720 hectares belonging to 22 villages in Bac Ninh province (north Viet Nam). And in An Khe (Central Viet Nam) Delignon and Pari grabbed 140,000 hectares. The March 23, 1897 ordinance allowing French colonialists to exploit concessions without paying any tax in the first five years was followed by an additional concession that the payment of this tax would be suspended and spread out over the next five years: Unlimited land appropriation by French colonialists was thus made official. It was only after 1930 following the world's big economic crisis that this practice of land grabbing was ended. But by 1900, 300,000 hectares had already been reserved for the growing of rice, rubber trees, and tea for the export market (Cf. Yves Henry — *op. cit.*, page 223.)

Land appropriation was intensified after World War I parallel to the accelerated development of

the country. At the end of 1930, French domains had risen to 909,300 hectares (one fifth of the total) and were mainly concentrated in Nam Bo :

Regions	Total of land grabbed (ha)	Rice- fields (ha)	Rubber planta- tions (ha)	Coffee planta- tions (ha)	Tea planta- tions (ha)
Bac Bo	134,400	30,000	—	4,150	200
Trung Bo	168,400	2,500	1,874	5,900	3,510
Nam Bo	606,500	253,400	97,804	650	—
Total	909,300	285,900	99,678	10,700	3,710

Note that some lands were grabbed then left uncultivated.

(Cf. Yves Henry — *op. cit.* page 225).

The French landlords also leased out their lands reserved for rice growing in the same manner as Vietnamese feudalists, collecting land rents *in kind* (along with other complementary emoluments) through the most extortionate devices.

Owing to the complicated techniques of harvesting rubber the French colonialists exploited the rubber plantations by themselves or through joint stock companies (the best known among these were : Plantations des Terres Rouges, Plantations Michelin. Plantations d'héveas d'Indochine) hiring native wage labour. In 1925, there were approximately 80,000 "coolies" recruited mainly from the Bac Bo and Trung Bo deltas where the population was particularly dense. Thus in the first years of the 20th century there developed in Viet Nam a new traffic, that of "plantation coolies". Recruitment offices sprang into being in all delta provinces, aided efficiently by the colonial administration at all levels, with village notables acting as recruiting agents.

Peasants, ruined by land rents, usurious debts, exorbitant taxes, charges and dues of all kinds, were easily persuaded they could escape from misery by signing four-year contracts which were practically "bills of sale" delivering those "recruits" into the hand of French capitalists' slave-traders in exchange for a few piasters. Recruiting agents received for each "coolie" delivered 15 piasters, the price of 200 kilos of rice in 1930.

In this new enterprise, the slaves of the French colonial regime worked from 14 to 16 hours every day for a miserable twenty cents which enabled them to buy two kilos of rice; exhausted by a regime of forced labour, disease, hunger and all kinds of persecution, they ended up by "being buried at the foot of rubber-trees". An investigation ordered by the colonial administration in 1927 revealed that on an average out of every 1,000 "coolies" in plantations, 474 died, and that among the 40,000 coolies coming from Bac Bo and Trung Bo, the death rate was as high as 40-50 %. Those who could escape death from exhaustion were nevertheless doomed to be fettered for ever to this life of slavery by accumulated debts incurred with their masters, which forced them to continue renewing contracts until they died. "Escapes" were so numerous that the colonialists had to reserve 21% of expenses for the control of "coolies".

Among peasants, two distinct strata should be distinguished: Firstly the rich peasants; and secondly the labouring peasants, including poor peasants and hired labourers.

Rich peasants formed a peculiar stratum in the countryside, representing 2 percent of the whole population and owning 7 percent of all lands in the country. On an average, the household of a rich peasant owned 3 times more land than a middle peasant, 9 times more than a poor peasant and 32

times more than a hired labourer. Generally speaking, rich peasants tilled their land themselves with a number of hired labourers: in this way they exploited the labour power of other men and constituted so to say the *rural bourgeoisie*.

The *working peasants* or wage-earners formed 90 percent of the whole population and owned only 20 per cent of the total land area; two-thirds of them however were landless, or almost landless peasants. According to the statistics of the colonial administration, in the years 1935-1936, in the Bac Bo delta, among 1,933,000 Vietnamese who had to pay poll-tax—under French rule all men over the age of 18 in Viet Nam had to pay this tax—968,000 or 50 percent were landless peasants (this percentage was even much higher in Nam Bo):

—*Middle peasants* formed a well-to-do stratum in the countryside, owning sufficient land for them to till themselves together with their families. In normal circumstances, their existence as independent producers was not interrupted, but in the years of natural disasters—which were not rare—they became involved in debts often ruinous and their lands were then grabbed by feudal landlords. This was of course mainly the case with the poorer elements among middle peasants: impoverished to the condition of poor peasants, they sometimes sank even further and become hired labourers. A certain amount of ruined landlords or rich peasants also fell into the ranks of middle peasants. It was rare on the other hand to find poor peasants who could succeed in improving their conditions.

—*poor peasants* formed, with *wage-earning peasants*, the most numerous stratum, representing 60 percent of the whole population. Before August 1945 in the Bac Bo Delta, 90 percent of the poor peasants consisted of ruined middle peasants. They were allowed to retain the rest of their lands which accounted for 90 percent of lands owned by the poor

peasants. In general poor peasants leased lands from feudal landlords; they and their families worked these small acreages at the same time often selling their labour to make up a subsistence. It could be said that they were rural proletarians.

— *wage-earning peasants constituted* the bulk of the agricultural proletariat, the most impoverished stratum among the peasants. Landless, they lived solely from selling their labour. Those who succeeded in getting a patch of land were rare.

Constantly exposed to forced unemployment and chronic famine, they were hired either as seasonal workers or day-labourers, or else as servants, by rich peasants or landlords; and had therefore to accept all the exigencies of their masters. The latter often paid them in advance or gave them loans in cash or in paddy, reckoned in workdays at the current rate which was exceedingly low in the dead season. The wage-earning labourer had to pay those advances and loans granted to him in work days at times when labour was in great demand (workdays were then naturally of a much higher value. Thus the borrowed sum often represented only half of the refunded labour. For example the wage-labourer who had borrowed 3 piasters had to reap at harvest time 1,000 bundles of paddy: this work if paid in cash would represent 6 piasters. During the dead season which generally lasts three months, the waged labourer often contracted debts under the system of advance payment whose interest rate was 33 percent a month, or 400 percent per year. Besides, he had to accept all exactions of the landlord, for fear of being dismissed.

Another category of wage-earning peasants was that of the *servants with no wages*, often called "adoptive children" of feudal landlords. A servant had to get up at the first crowing of the cock and to go to bed at midnight. By way of salary, he received only a few bowlfuls of rice flavoured with

the residue of his master's meal, and some worn clothes. It was not rare to see whole families working as house servants, from father to children. It could be reckoned that the feudalists thus robbed thousands of years of wages from hired peasants. During the agrarian reform it was calculated that in 84 communes of Bac Giang province (North Viet Nam) 392 landlords owed 2,246 hired labourers 8,148 years of wages—the equivalent of 9,166 tons of paddy.

Communal lands occupied important areas, amounting in the whole country to 490,000 hectares, or 10 percent of all the whole land area.

Bac Bo	235,000 hectares	or 21%	of regional lands
Trung Bo	195,000	— or 25%	—
Nam Bo	60,000	— or 3%	—

In some provinces, like Quang Tri, this percentage was as high as 50-90 percent.

In principle, those lands belonged to a well defined community who enjoyed this right automatically. They had to be shared out equitably, without any discrimination, to all members of the community. Powerful landlords and notables usually took advantage of their position of power and resorted to all means to grab them, sometimes in their entirety.

Using their "priority right", they chose the best shares for themselves and monopolised the most fertile areas. Even among themselves land distribution was allotted in accordance with hierarchic ranks: first, heads and deputy-heads of cantons, then heads and deputy-heads of villages, then lower-ranking notables. To consolidate the shares they had received and keep them until the conclusion of the term of location prescribed by custom (three or six

years) they used all judicial tricks familiar to them, going often as far as to threaten to imprison their rivals. Sometimes, the "big bosses" of the commune, not satisfied with appropriating lands under the customary rent agreement, simply considered them their private properties. In the process of allocating communal lands, they took decisions on prices in closed sessions to their own advantage, and pocketed a substantial portion of the proceedings from the auction.

For centuries the peasants' fight for a more equitable distribution of communal land has been a bloody class struggle in the villages, and the agrarian problem cannot be solved adequately without settling the question of communal lands.

2. Land Rents

Relying on the political and economic power entrusted to them with the blessing of the colonialist authorities and the monopoly of land, the feudalists strove to extort all they could from the peasants through the collection of land rents and the practice of usurious loans.

Land rent was the main form of exploitation used against the peasants.

There were three forms of land rents interacting on one another: *rent in kind*, *rent in work* and *rent in cash*.

Land rents were fixed in advance with or without contract for one year only. The landlord kept a discretionary right to renew the contract and must be paid regardless of the state of the harvest. The rate most commonly used was 50 percent of the gross harvest, and the land owner had no obligation

to pay anything for the expenses incurred in the tilling of the land. In some region such as Thai Binh, Nam Dinh, landlords received up to 70 percent of the harvest.

Rent in kind was the prevalent form of rent, inherent in the economic structure of the country, the inadequate development of productive forces in agriculture and the extreme poverty of the peasants. It is *feudal extortion* on account of the dominating position of the landlords.

If following a bad harvest the peasants could not pay all the rent previously fixed, they had to sign loan acts including capitalized interests, or else work without wages for the landlord to pay for the owed rent. Landlords often forced their tenant farmers to carry all the harvested paddy to their houses; after collecting the rent, they got themselves refunded of all the advances and loans granted previously to the workers in paddy; so that the peasants returned to their houses with almost empty hands.

In overpopulated provinces, there existed also the *absolute rent*: a fixed land rent was defined for all kinds of lands irrespective of their fertility. In some regions, landlords demanded a *uniform rent*, reckoned on the most fertile land taken as the "average".

Rent in cash existed in suburban areas where land was devoted mainly to market gardening and its price was very high, for instance in the vicinity of Hanoi. It was usually collected by civil servants who had become rich through bribes and more particularly by city traders who owned lands. It was a form of exploitation by commercial capitalists.

In areas ravaged by floods or droughts, like Hung Yen and Hai Duong provinces, landlords, getting cautious, often collected rent in cash, so the peasant had to bear all consequences for those calamities.

In general this rent was collected in advance, when the lands were leased. The penniless farmer had to borrow money to pay for it. To exploitation of the peasants' labour was thus added exploitation through usurious loans.

Rent might also be paid after the harvest. It is *taxed rent*, defined in products but paid in money reckoned on the price of paddy at the moment the contract was signed. In pre-harvest food shortage periods, paddy was scarce and its price high. At harvest time however the peasant had to sell his paddy to pay the rent, and by then prices had drastically fallen. Compelled to pay the rent, he had to sell his paddy at any price and thus sustain big losses. More often than not the speculators were none other than the traders from the cities who had leased the land. To exploitation through leasing land therefore was added exploitation by commercial dealing.

The demand for rent in cash began mainly after the colonial conquest: but it is not a "capitalist" rent as some have reckoned. It was simply a development of the rent in kind and had a feudal character, resulting from the semi-feudal economy and feudal and colonial relations in the class structure.

Rent in work was a supplement to the rent in kind. In some regions landlords demanded from farmers unpaid labour during the whole harvest season, that of the 10th lunar month, the main harvest of the year. Usually landlords provided rice seedlings, draught animals and pigsty manure while the farmer supplies his labour for the whole season until the paddy was in the barns. Only after working hard for the landlords could the farmer devote himself to his own crops, in most cases the fifth-lunar-month rice or dry crops. This meant an unstable prospect for him and mostly a low yield or probably simply a harvest of dry crops.

Besides permanent rents, supplementary rents were due from farmers to landlords. They were given in the form of gifts, corvée and other obligations: big notables, in particular, compelled their farmers to come and work for them (for food only) two weeks during the harvest or for the execution of certain work in their place (maintenance of dykes, roads, channels) during the dead season (from February to April). Those farmers had moreover to pay for stewards to look after the landlords harvests. Also they had to offer the landlords gifts in cash or in kind on festive days, on anniversaries and reception days, etc.

Landlords resorted to all tricks to increase land rents. At the time when the land was leased, the peasants had to pay a *surety rent* in cash equal to the rent fixed by the contract. As the farmer was often short of ready money, he had to borrow at usurious rates. The landlord often found the old deposit under-valued and increased its amount so as to raise his takings. According to the market price of paddy he sometimes demanded deposits not in money, but in kind. Consequently the farmer had again to ask for loans to satisfy the landlords' demands. One way or another, he fell into the clutches of the usurer and became bound body and soul to the landlord; if he was slow in paying his rent, the landlord could easily pocket the deposit. In some cases, the new farmer must even pay the rents and debts incurred by his predecessors before he had access to the land; if he could not pay these debts, he was obliged to sign a paper acknowledging his liability.

After paying the basic rent, the surety rent and other supplementary rents, not to mention usurious interest on loans, taxes and other payments required by the commune and the administration, there was nothing left in the peasants' pockets.

Hard pressed from all sides, the peasants had only one recourse: to borrow from usurers. In order to subsist they had to incur further debts, thus alienating the last shreds of their freedom and independence finally to be completely reduced to the status of serfs.

In some villages, for example, the landlord was also trader and usurer: his wife lent money and speculated on paddy at harvest time in order to resell it at higher prices in times of shortage.

Loans in kind or in cash granted by the landlord to the peasant farmer came from the land rents paid the day before by the same farmer.

The average rate of interest varied from 6 to 10 per cent per month, if the borrower could give valuable securities. This rate increased if the delay for payment was shortened: 10 percent per month if the delay was over 6 months: 15-20 percent per month if the loan was only for one or two months. In times of flood, drought, typhoons etc., the rate became exorbitant: one percent per day. Certain urgent debts incurred for a few days might entail interest rates varying from 3 to 5 percent per day. Each month started must be reckoned as a whole month: a loan running from February 20 to May 10 for instance, that is 2 months and 20 days, was reckoned as lasting four months (February, March, April, May). The landlord always asked for securities: either harvest, or land, or house. Sometimes, if needs were pressing (payment of taxes, death or serious illness of a parent, etc.) the peasants who had no real estate had to mortgage his own children.

The peasants invariably found themselves unable to pay their debts: as the period allowed for payment ended, loan interests had accumulated by compound interest. Being unable to pay, the peasant could be forced into the choice of either giving up

his last patch of land, inherited from his ancestors or mortgaging his children who thus became servants without pay for life.

Deprived of his land, a peasant might be forced to work for his creditor. Newly incurred rents and debts again accumulated, thus aggravating his dependence. He was thus fettered as a serf on his own lands, and had to till them for the benefit of his creditor in the remote hope of liberating them through years of slave labour.

Developing as a result of the system of land rents and land ownership, usurious debts in their turn aggravated the evils of that system: the farmer-peasant gradually became a *de facto slave*.

Any need of the peasant in money or in paddy might provide an opportunity for the landlord-usurer to increase his domain and enlarge his fortune. With centuries of experience, these "bankers" were past masters in usurious operations. Although the legal system of the colonialists claimed to protect those who asked for credit by fixing a rate of 12 percent (later reduced to 8 percent), the usurer "dodged it by demanding written acknowledgement of debt by the borrower including the sum which was lent plus their interests until the fulfilment of the obligation."

(René Dumont: *La culture du riz dans le delta du Tonkin* — Société des "Éditions géographiques, maritimes et coloniales" — Paris 1935 — page 65).

The years of famine, serious draught or flood and transitional periods (3rd and 8th lunar months) provided the best opportunities for profiteering. Here are some examples among thousands of others.

— A peasant in Thai Binh province borrowed 30 baskets of paddy. For five consecutive years he paid 200 baskets as interests. Finally the usurer

confiscated one *mau* (0.36 ha) of land from this peasant by way of payment for his initial debt. In the same way, that particular landlord had grabbed 14.4 hectares from other peasants.

— A peasant family borrowed 50 piasters. In the course of time they paid 150 piasters as interests. On the eve of Tet (Lunar New Year's Day) the usurer came and expelled him from his house to have his debt refunded.

Yves Henry estimated that "one-third of the rice-fields in Khanh Hoa province (Central Viet Nam) had become properties of usurers, and as a result of this practice, in Annam alone properties changed hands on an average every twelve years" (quoted by Buu Loc *L'usure chez les paysans en Annam* — Librairie du Recueil Lirey — Paris 1941 — Pages 150-151).

Under the feudal regime, Vietnamese peasants were crushed by land rents, taxes, debts and multiple charges. A man's lifelong labour was not enough to satisfy the greed of landlords and usurers.

In Nam Bo, colonial financial institutions (Banque de l'Indochine, Crédit foncier, Sté financière de l'Indochine...) granted important loans at rates prescribed by law to big landlords who, in their turn, passed them on at usurious rates to smaller landowners, rich and middle peasants, with real estate securities. During difficult years — especially the world economic crisis (1930-1936) — as those borrowers could not pay their accumulated debts and their compound interest, they were expropriated and turned into farm hands.

The tangling up of "real estate capital", commercial capital and usurious capital, which worked hand in glove mercilessly to exploit the peasants, was one of the characteristics of the feudal and colonial society in the condemnation of which there are no extenuating circumstances.

Some authors wrongly thought that

"if the *nha que* (Vietnamese peasant) borrows so freely it is because he has no intention to repay; he hopes that some circumstance may arrive which could remove his debt and frustrate his creditor."

(Pierre Gourou *Les paysans du delta tonkinois*. Les Éditions d'Art et d'histoire, Paris 1936, p. 378).

The practice of usury was certainly not the result of

"the debtor's bad faith which compels the creditor to demand enormous interests in order to cover himself from losses."

(Pierre Gourou. *op. cit.* p. 378).

but precisely of the frantic exploitation of peasants by feudal landlords and French colonialists whose rapacious exploitation was closely combined.

The peasants moreover had to carry out *charges and corvée*.

In a village all charges were borne by the people under "administration" that is those who were neither "notables", "ex-notables" nor anyone from the class of retired mandarins, landlords and rich peasants, who were the real masters of the countryside and were exempted from all obligations.

The peasants were obliged to pay all expenses of public benefit (maintenance of dykes and channels in use by the commune, of the pagoda and the communal house; the cost of running the elementary school, of the apprenticeship of the would-be land surveyor, the travelling expenses of village authorities summoned by district and province authorities, etc). They were obliged to contribute in cash or in kind or by their labour to the celebration of numerous ritual ceremonies, to see to the security of the population and harvests, to share in the cost of gifts to be offered to mandarin authorities and other personalities native to the village.

Besides land tax and poll-tax, they had to do various corvées: road repairing, digging of canals, protection of dykes, building of railways, etc. This forced labour required from each peasant a contribution of some thirty working days on an average every year.

In order to fulfil these obligations and pay their taxes, the peasants could not avoid incurring debts or selling some of their possessions. If he failed to produce the necessary money, the peasant was often forced to sell his own children to escape imprisonment... Sometimes, a landlord or a rich peasant might volunteer to pay for him in order to acquire the exclusive use of his services for the future.

"This is a kind of *de facto* slavery from which the poor free themselves with great difficulty and these advances of money take on special forms which indefinitely bind the poor who are forced to accept them."

(From the article "Poll tax" by Nguyen Van Vinh, in *Annam nouveau*, March 1933, quoted by René Dumont in *La culture du riz dans le Delta du Tonkin*, p. 74).

At the time of tax collection, the price of paddy fell as a result of speculation. René Dumont estimated that peasant family

"Owning 0.36 ha (1 *mau*) of rice-field and paying a poll-tax and land tax, had to sell 300-400 kilos of paddy in order to pay these taxes and supplementary charges; this represented one-third or one-half of what could be produced by his *mau* of ricefield if the latter yields two average crops."

(René Dumont — *op. cit.* page 75).

3. Consequences of Feudal Exploitation

Let us have a rapid glance at the situation of various strata of the working peasantry in terms of their direct relations with the land.

For the upper stratum of middle peasants the *surplus production of agricultural labour was in general negligible*¹. As they had no land rent to pay, they felt somewhat "well off". However their small agricultural income allowed them only to ensure simple reproduction; enlarged reproduction was usually beyond their means the more so as a part of this income was absorbed by speculators who manipulated the grain market.

For the lower layer of middle peasants who took on lease the land of feudal landlords while working simultaneously their own patches of land, the *surplus production from agricultural labour was often non-existent*; land rent which in general accounted for 50 percent of the gross harvest, swallowed an important portion of the necessary agricultural product; that part was estimated to reach sometimes 40 percent. As agricultural activities could not satisfy family needs, those middle peasants had to carry extra-agricultural activities, for instance hiring themselves out as farm hands or peddling goods, enlarged reproduction was non-existent and even simple reproduction could be jeopardised. A small extra need in money would

1. The product resulting from that part of his labour spent by the producing peasant on means of existence (maintenance of family members and remuneration of auxiliary manpower) or *necessary labour* — is called *necessary product*. The part of total product which surpasses the necessary product is called *surplus product* and comes from that part of labour surpassing the necessary labour, termed *surplus labour*.

be enough to make their small patches of land fall into the hands of landlords.

Poor peasants took on lease the lands of feudal landlords while hiring themselves as wage labourers. Land rent absorbed sometimes up to two-thirds of the necessary product of the land. Their double capacity as farmers and wage labourers reduced them to complete dependence on the landlords.

Thus the *rate of agricultural surplus production* was very small, almost nil¹, and the *real rate of exploitation of peasants* by feudal landlords was very high: land rents and usurious interests swallowed not only the whole agricultural surplus production if there was any, but also an important part of the necessary production for his survival. Agricultural labour alone could not yield surplus labour income, therefore the peasant was compelled to exploit all that was offered him by the natural and social environment in order to subsist, since agricultural necessary production insured him only miserable conditions of living.

All the sources of accumulation indispensable to "enlarged reproduction" of the small peasants were exhausted by land rents and usurious interests which were only devoted to the interests of the feudalist landlords.

Even if the possibility of limited accumulation existed in the years of good harvest, it was entangled in multiple debts from previous years. In bad years, all harvests would be insufficient to pay even land rents, therefore even simple reproduction encountered a host of difficulties.

(1) *Rate of surplus labour*: relation (expressed in percentage) between the income of surplus labour and the expenses for means of existence.

Rate of exploitation of peasants: relation (expressed in percentage) between land rent and the expenses for means of existence.

If out of a total cultivated area of five million hectares the lands to rent were estimated to represent 2.5 million hectares (including communal lands), one quarter of the income deriving from those lands was annually appropriated as land rents by those who in no way participated in production. To this should be added usurious interests, the speculators' interests, charges and corvées, which resulted in a much higher rate than half the peasants income. What was then left for the 90 percent of the population who were the direct producers for them to survive, and continue producing so that the remaining 5 percent of the population could live in affluence and idleness? It can be understood why agriculture, and consequently the economy of the whole country was doomed to a state of slump and stagnation and the working peasantry to total pauperisation.

The blatant looting of peasants aggravated by the heavy burden of colonialist exploitation, was therefore an impediment to the development of productive forces, a hindrance to the development not only of agriculture but also of the whole economy of the country.

This feudal and colonial over-exploitation generated disastrous consequences for agriculture, a fundamental branch of production, and for the working peasantry, the main productive force of society.

For centuries agricultural techniques had not changed.

Irrigation was always carried by norias with pedals, ladles with tripods and roped baskets. Ploughing was done in the same way as it was a thousand years ago by means of ploughs with only one ploughshare and drawn by buffaloes, sometimes even by men. Rice varieties had degenerated. To fertilize an exhausted, over-exploited, impoverished

soil which was dried up by tropical heat and washed out by torrential rains, there were only natural manures.

To give an idea of the very low level of the agricultural techniques of production, (tools were manual and primitive even archaic), suffice it to show that expenses devoted to agricultural equipment made up hardly 2 percent of all expenses in the stagnant economy of the countryside. There was a notably big discrepancy between the high percentage of variable capital and the very low percentage of fixed capital—in general 5 to 1. According to investigations by the Central Committee for Agrarian Reform in the two provinces of Thai Nguyen and Thanh Hoa, the bulk of poor peasants owned no cattle, (from ten to twelve of them were co-owners of a buffalo); those who could not hire draught animals dug their ricefields with a spade; nine families shared a plough and a harrow; two families jointly owned a hoe.

The stagnation of agricultural technique resulted in a continuous regression of paddy yield per hectare which was already very low at the start: 12 quintals in 1944 as against 13 in 1939 and 13.6 in 1930, or a decrease by 12 percent in 14 years¹.

The monopoly of land and of the grain market generated a conflict for prices of paddy and a hunt for land rent in kind by feudal landlords; it sacrificed other crops for rice production, which aggravated the traditional monoculture of rice, and the imbalance in agricultural structures.

The distress of peasants was a hindrance for rural handicrafts which had been an important source of income in the ancient society, an extra

1. The 13 quintals/ha yield in 1939 represented the best harvest in pre-war time, yet it was one of the weakest in the world. In that year, 18.1 quintals/ha were obtained in Burma, 38.8 in Japan, 55.2 in Italy, etc.

occupation for the peasants and a supplementary service for the village. These had remained unchanged for centuries. As the rural masses were impoverished, handicrafts, although supplying rural areas with almost all current consumer necessities and agricultural tools, had inevitably to cut down production. Peasant craftsmen¹ still possessing ancient tools and rudimentary weaving equipment, were too poor to lay out cash for the improvement of their work tools and to perfect the methods of producing articles which they had to sell as rapidly as possible in order to live and to buy new raw materials to continue production.

Small industry which had been developed before colonization, remained stagnant as a result of the low purchasing power of the peasants whose family budgets were necessarily devoted almost entirely to the purchase of food.

Industry proper was almost non-existent owing to the absence of capital and enlarged reproduction in agriculture which if it had existed would have made a solid basis for its initial development and the outflow of its manufactured products and supplied it with capital, raw materials and foodstuffs.

Rural under-employment was chronic. Each peasant worked effectively only every other day. Men and women accepted whatever wages they were offered merely to ensure their existence.

"12 hours of work per day for take-home pay of 0.10 piaster (1 franc), 0.07 piaster (0.7 fr) 0.065 piaster (0.65fr). Children toiled 12 hours on a loom just to earn

1. Those peasants carried out handicraft activities (basket-making, rope-manufacture, weaving...) between two periods of rice-growing to increase their income, but their agricultural work constituted always their main source of income.

0.03 piaster (0.3 fr) and 0.04 piaster (0.4 fr)"

(Lotzer: *La surpopulation du Tonkin et du Nord Annam — ses rapports avec la colonisation de la péninsule indochinoise*, Hanoi 1941, p. 11).

The agricultural wage-earner often had to work for nothing but his food.

The living standard of peasant families was far lower than the minimum standard. The following comparison may give an idea of the utter misery of Vietnamese peasants:

"The average yearly income rose in 1931 to 49 piasters (490 francs); without going so far as comparing these figures with the average yearly income of Frenchmen which, at the same period, was 6,200 francs, or that of Americans which was 12,500 francs, one may find a point of comparison in a native, and similar budget, that of the Khammes, that is Morocco's most impoverished agricultural farmer: according to the most recent studies the budget of a family of Khammes rose to 1,850 francs roughly, i.e. nearly four times as much as in Indochina".

(J. Goudal « *Problèmes du travail en Indochine* » — Bureau International du Travail — Genève 1937 — *Études documents*, série 13, conditions économiques, № 26, page 152).

Under-nourishment hit the bulk of the population who

"could never satisfy their hunger, which resulted in the majority of people never reaching their normal height and weight... As far as animal protein is concerned, they are chronically under-nourished.

Many peasants declared in interviews with us that they ate meat only once a year, at Tet (Lunar New Year)".

(G. Wormser « Note relative à l'emploi de la main d'œuvre tonkinoise sur les plantations de la Cochinchine et du Cambodge » — *Bulletin du Syndicat des Plantateurs de Caoutchouc*, April 1938, page 82).

The following testimony of a high-ranking French civil servant is most revealing:

"More than 40 percent of the sick treated in health establishments of Nam Dinh province are starving people whose bodies were perfect illustrations of the expression "skin and bones". The impression gained by a series of physical examinations in an elementary school revealed a general state of exceptional physical undernourishment. These facts are sufficiently indicative of the misery to which a very prolific population has been reduced and of a rapidly increasing state of impoverishment".

(Lotzer « La surpopulation du Tonkin et du Nord Annam », *op. cit.* page 11).

The following picture is an illustration of the total poverty of the peasant under feudal and colonial yoke:

Food

Rice: for four months each year, rice mixed with roots; for the remaining 8 months, a vegetable broth for daily sustenance.

Salt: scarce and purchased from day to day.

Meat: twice a year, on the first two days of the year.

Fish: small fish, crabs, shrimps... fished up from rivers.

Sugar: Nil

Clothing

Clothes (in cotton not very solid): a new pair of trousers, or a jacket once a year.

Blanket: Nil

Mosquito-net: Nil

(According to investigation conducted in the delta by the Central Committee for Agrarian Reform).

A pair of trousers shared between wife and husband was common occurrence in the countryside: whenever one went out, the other had to remain in-doors. The author of a study on the "Agrarian problem in Viet Nam" noted that

"one might meet children who were absent from classes once every week (among those rare children who did attend school) in order to wash their only pair of trousers".

(XXX «Le Problème agraire du Viet Nam» *Revue socialiste*. Paris, December 1953).

It was like a gradual return to prehistoric times:

"Kerosene lamps and candles were replaced by bowls containing pork or fish fat, ground-nut oil, castor-oil or coconut oil... In this liquid floated a wick made of a cotton waste which gave light to all the family... To make fire a stone or flint was rubbed against a steel blade to shoot forth a spark which ignited in a tube containing some kapok by which means eventually fire was produced. Scabies were rife, soap was rare... Rats invaded badly lighted and unsanitary thatched hovels. An epidemic of cholera and plague broke out all over the country, starting

from the South then spreading to the Center and the North. No doctor, no hospital staff, no medicine in the villages. Medical care was casual. In spite of their sense of community, the poor Vietnamese did not dare relieve a dying neighbour: what help after all could they give?"

(Le Chau : *Le Viet Nam socialiste : une économie de transition*. Edition François Maspero — Paris 1966 — page 58).

This almost animal state of privation sustained by millions of peasants reached its depth of degradation with the 1944-45 famine, the worst one that Vietnam, a naturally rich country, had ever known:

"They (the peasants) went about in endless lines, families hanging together — old folks, children, men, women, bent down under the weight of misery, shivering processions of naked skeletons—even young girls of an age when sensitivity is naturally delicate—stopping from time to time to close the eyes of a companion who had fallen never to rise up again, or to remove from that dead companion some unnamable rags of clothing which might still be clinging to him. To see those human forms more hideous than the ugliest animal, to see those shrivelled corpses on the roadside having as shroud only some shreds of straw, one feels ashamed of mankind."

(Nguyen Khac Dam — *Le Viet Nam en marche*, page 41, Hanoi 1955).

Infantile mortality and tuberculosis, not to mention other diseases such as leprosy, trachoma, caused terrific ravages:

Category of peasants	Number of women who have been confined	Total of confinements	Number of children living beyond 15 years	Number of children dying under 15 years	Percentage of dead children compared with those born
Middle peasants	11,589	40,935	23,615	17,920	43.8
Poor peasants	8,915	31,132	15,640	95,492	49.7
Landless peasants	1,678	5,440	2,565	2,875	52.8

(cf. Investigation by the Central Committee for Agrarian Reform in 62 communes in Bac Ninh province).

The number of dead children is relative to their social conditions:

"The percentage of tuberculosis varies according to social status. Thus from 10 to 20 years of age, children of well-to-do families were attacked in the proportions of 21.08% and 33% from 10 to 23 years of age, whereas children of poor families were attacked in the proportion of 42.31% between 10 and 20 years and of 56% from 20 to 30 years".

(Nguyen Manh Don: *Contribution à l'étude de la défense médico-sociale contre la tuberculose en Indochine*. Librairie E. Le François — Paris 1940, page 31).

90 percent of the population were illiterate and only children of rich families attended school. Here are some concrete figures: before 1945, in Thai Binh province, in a total population of 940,000 inhabitants only 42,000 (i.e. 4.5%) knew how to read

and write; out of 3,122 inhabitants of the Hoang Luu commune (Thanh Hoa province), only 32 (i.e. 1%) attended school, among them 18 landlords and rich peasants, 10 middle peasants and 4 poor peasants, whereas all wage-earning peasants were illiterate.

If the Vietnamese peasants tilled their lands with archaic tools,

“wore clothes made of leaves, ate leguminous plants and lived in huts,”

(René Dumont: *Economie agricole dans le monde*. Dalloz — Paris 1954, page 162),

this is not because of the “vegetable civilization” so dear to Pierre Gourou, which civilization

“provides food, dwelling houses, clothing and a major part of the tools”.

(Cf. René Dumont *op. cit.* p. 162).

Stripped even of their clothes and despite all their privations, the peasants did not succeed in gaining enough to live and in improving their work tools. If they managed to increase the yield of their crops, the landlord would immediately heighten the rent.

The plight of the Vietnamese peasantry was examined by many writers. Economists, journalists, philosophers, even those among the colonial administration, could not deny that the peasants “had reached the verge of intolerable misery.”

It was usual to blame for this “hellish” misery the poverty of the soil, the parcelling out of the land, the overpopulation of the delta, the backward state of agricultural technique, the lack of capital, etc. Of course, these factors were not to be ignored, but as they failed to understand the specific features of feudal relations of production, those intelligent people neglected the essential factor in the problem: *the relations between peasants who produced and landlords who appropriated the fruits of their labour.*

Let us take, for instance, two of the following factors: the state of ownership and the repartition of population.

In the North,

"peasant properties have on an average an area of from 0.06 to 0.017 ha, but they are often much smaller: the average plot in Phu Luong district (Thai Nguyen province) is only 0.04 ha, and that in Thach That (Son Tay province) 0.05 ha".

(Yves Henry: *Économie agricole de l'Indochine*, page 110).

In the South,

"on the contrary, the parcelling of land is less because the average parcel in the Eastern provinces is one hectare, in the Central-Western provinces 8.9 ha, and in the Western provinces 9.5 ha."

(Pierre Gourou: *Les problèmes agraires de l'Indochine*, Paris 1947, p. 3).

The South is much less populated than the North:

"The average density per square kilometre is 69 as against 146 in the North; the highest density per square kilometre is 180 in Ben Tre, whereas it is 676 in Nam Dinh".

(Yves Henry, *op. cit.*, pages 2'-23).

Did the Southern peasants live better than those in the North? In *Le problème économique indochinois* Paul Bernard spoke of the *ta dien* (tenant farmers) in the South in these words:

"Generally speaking, the masses' living conditions are exceedingly miserable (the author's stress). The tiller lived on his land, that's all, and he is able only to satisfy his most immediate needs. The

problem of hunger becomes acute as soon as there occurs a year of bad harvest or an unexpected mishap, a disease, or an accident which forces him into unforeseen expenses."

(Paul Bernard : *Le problème économique indochinois* — Nouvelles éditions latines, Paris 1934, page 25).

And Charles Robequain noted that :

"In the South many people live from hand to mouth: not only agricultural workers, but also *ta dien* (tenant farmers) who often lack cattle and have to borrow rice for their subsistence half a year before harvest."

(Charles Robequain — *L'Indochine Française* — Armand Colin, Paris 1935, page 147).¹

The improvidence and "lack of capital" among Vietnamese peasants are not "the cause of poverty in the delta"; the "peasant's pathetic and deplorable

1. We cite as example a family of *ta dien* in the South. This family is composed of 5 persons (including three children) and rents an area of 5 hectares. After paying land rent to the landlord, there remain only 200 *gia* (20 kilos per *gia*) of paddy left for him, selling for 0.64 plaster a *gia* (1939 price), that is 128 plasters in total, to meet the annual needs of all the family :

— Food	78 plasters
— Clothing	12 —
— Expenses in case of illness and ritual festivities	22 —
— Purchase of work tools, seeds, etc.	7 —
— Poll-tax	10 —
— Tax on dwelling house and other communal taxes	10 —
	139 plasters

want of foresight" cannot be "the origin of all these evils" nor does it explain "the backwardness in agriculture and rural stagnation" in the country, as Robequain has suggested (cf. Charles Robequain *l'Indochine Française*, page 145).

If

"Even before the harvest, most of the paddy is sold out, well before the next harvest is ready. The peasants must forego their daily ration, resort to less nourishing dishes — such as sweet potato and other roots, maize, beans — endeavour to scrape from fields, ponds, or sea, the smallest crustacea. They exhaust themselves in peddling from market to market, anxious to hire their labour for a miserable pittance."

(Charles Robequain: *L'Indochine française*, page 147).

It is not because

"family or village festivals are for them frequent occasions for spending the small amount of money they have and more than they have... (They) honour too ritually and generously their ancestors, deities that sit enthroned, statues and slabs in temples or pagodas, innumerable spirits that haunt the countryside and threaten the poor men."

(Charles Robequain, *op. cit.*, pages 154-147).

or because peasants

"work only a few months a year and remain idle, simply playing about all the remaining time."

(Pierre Pasquier, former governor general of Indochina, speech delivered on Oct 28, 1930, in Hanoi).

It is precisely the unquenchable thirst for land rents and usurious interests of feudal landlords that is responsible for these conditions, that rapacious looting of peasants in the form of land rents misrepresented by experts of Viet Nam peasantry as a "renting value of the land" or as the "*interest of land capital*" whereas in fact it is merely an act of blatant robbery. This erroneous theory of feudal land rent has led them to propose vain solutions with the aim of "avoiding a deterioration of the living standard" instead of curing the disease at its very root.

Pierre Gourou quoted by René Dumont in "*Economie agricole dans le monde*", pages 162-163,

It is certain that the lowering of land rents and interest rates was not only "desirable" as René Dumont has put it (René Dumont: *La culture du riz dans le delta du Tonkin* — Société des Editions géographiques, maritimes et coloniales — Paris 1935 — page 82) but *indispensable*, and the people's power as early as 1945 imposed it.

Radical solutions to remove all obstacles which hinder the development of agriculture and condemn the peasantry to a slow death for centuries, are not to be found in

"the maintenance of small ownership, its establishment on new lands and its protection in places where it is in regression."

(René Dumont: *La culture du riz dans le Delta du Tonkin*, page 82).

but in the total elimination of exploitation of men by men. This alone is capable of liberating productive forces fettered by a reactionary feudal regime which strangles the development of society.

Some people have demanded reforms and agrarian laws "if necessary" without specifying their content. They have even gone farther, in recommending

"not to upset moral and social stability, or disturb this system of tradition and customs that allows the peasant to bear a miserable material existence"

(Pierre Gourou quoted by René Dumont in *Economie agricole dans le monde*, pages 162-163).

Only a radical agrarian policy which gives "land to the tiller" and totally liberates the system of land relations from feudal survivals, can clear the way for the development of productive forces, drive ahead the national economy, free the peasants from feudal fetters and open the path towards socialism in the countryside. That is the only way to resolve completely the problem of the misery of the peasants' and the people at large.

An authentically revolutionary social class alone, — *the working class* — and its *Party* can advance that agrarian revolution and lead it to victory.



THE LAND POLICY

As soon as it was founded in 1930, the Communist Party, in its Manifesto, defined the fundamental tasks of the Vietnamese revolution as follows:

"First, to struggle for the abolition of feudal injustices and all forms of pre-capitalist exploitation and to further the completion of a radical land revolution, secondly, to struggle for the abolition of the domination of French imperialism and to strive for the full independence of Indochina. These two tasks are closely linked because the overthrow of the feudal landlord class and the radical completion of the land revolution imply also the abolition of imperialism; conversely, without abolishing the feudal regime, the overthrow of imperialism would be impossible."

The plan of campaign for the agrarian revolution was laid down in the Manifesto:

"To requisition all lands belonging to the foreign and native landlords and the Churches; and to hand them over to the middle and poor peasants."

This decision was of great importance. For the first time in the history of Viet Nam the age-old aspiration of the peasants — "land to the tiller" — was regarded as the fundamental revolutionary

objective inseparable from the whole programme of national liberation. This was a complete departure from the programmes proposed by the previous national movements which had been led either by scholars of feudal origin or by the national bourgeoisie.

A great revolutionary impetus immediately sprang into being in the workers and peasants' movement which quickly developed into the "Nghe Tinh Soviets" in 1930-1931 when

"The claim to the land demanded by the peasants from the colonists and mandarins was added to the demands by workers in the factories."

Though drowned in blood, this movement proved the absolute confidence of the peasants in the working class and created bases for the *worker-peasant alliance*, the guarantee of victory.

During the years 1936-1938, taking advantage of its semi-legal position, the Communist Party led the peasants in carrying out an arduous struggle for the reduction of taxes and land rents and the fair division of communal lands, while developing peasants' unions throughout the whole country.

As from 1939, faced with the double fascist oppression of the French and the Japanese, the question of national survival became urgent and called for an immediate appropriate policy. To rally all strata of the patriotic people into an *anti-imperialist united national front* with the worker-peasant alliance as its basis, the Party declared as early as 1939:

"In face of a situation that has changed since 1930-1931, the strategy of the bourgeois democratic revolution must of necessity undergo certain modifications to adapt itself to the new international alignment. As the anti-imperialist and

anti-feudal objectives constitute two essential links in one whole and are interdependent, these two revolutions can not be solved separately. This fundamental revolutionary principle cannot be changed; only it must be applied with flexibility and in such a way that it can accomplish the main revolutionary task, the expulsion of imperialist domination. The present situation is dominated by the imperialist war, the economic crisis, and fascist and colonialist domination, which have made the national question a question of great urgency and of prime importance. The mass of small and middle bourgeois landowners throughout the land share with the poorer classes the same hatred of the imperialists. Therefore the movement for national liberation, in the supreme interest of the nation, declared that all revolutionary tasks including the agrarian question must be unified into this main objective with a view to the setting up of an Anti-imperialist National Front, at this time the bourgeois democratic revolution only advocates confiscating lands belonging to landlords who are traitors to the nation." (Resolution of the 6th session of the Party Central Committee).

This declared policy was reaffirmed at the 8th session of the Party Central Committee in May 1941 which defined its agrarian policy as follows:

"To confiscate the property of the French and Japanese imperialists and Vietnamese traitors...; apply the reduction of land rents and interest rates; proceed to the division of communal lands to the peasants."

This judicious policy greatly contributed to the victory of the August 1945 revolution.

1. Partial Land Reforms

The people's power, which met with difficulties in the political, economic and social fields from the first days of its foundation in the developing situation had no time to complete the implementation of the land reforms laid down in the Viet Minh Program.

However, in this field, a series of reforms were carried out by the peasants grouped in mass organizations, the first result being the limitation of the political authority and economic power of the feudalists who were deposed from their position as the dominating class in the countryside.

Lands belonging to the French colonialists and Vietnamese traitors were confiscated and given to the peasants. Everywhere the peasants claimed an equal share of communal lands. The movement of struggle for the reduction of land rents launched first in only a few localities, rapidly spread to the delta.

In this formidable revolutionary onslaught, many landlords yielded and met the peasants' demands; others, more recalcitrant, resisted, which resulted in fierce clashes between peasants and landlords.

To step up and support the peasants' struggles, the Ministry of the Interior issued a circular in November 1945 fixing a 25 % *reduction of land rents* based on those in existence before the August 1945 Revolution.

During the moment when the peasants' struggles were growing in scope, the national resistance was launched.

During the first days of the resistance, the implementation of the agrarian policy was held in abeyance on account of the urgency of the military tasks, and the followthrough of the anti-feudal offensive was underestimated. Landlords were simply urged to reduce land rents when it would have been necessary to mobilize the peasant masses to active struggle, and in certain regions, instead of distributing land confiscated from the French colonialists and Vietnamese traitors, even temporarily, to the peasants, the local administration rented it to them.

In autumn-winter 1947, the French launched a great offensive, the Lea campaign toward Viet Bac where the leading centres of the national resistance were situated. They aspired to "finish off the Viet" but the results were exactly contrary to what they had expected. This was their greatest setback since their return to Indochina. Their "quick war" proved to be a definitive defeat.

The "Viet Bac victory" won by the people's army helped strengthen confidence and unity. With it, the first period of the resistance was completed.

As from 1948, forced to wage a long-term war, the French then tried to "make Vietnamese fight against Vietnamese" and drain the country of most of its resources, "feeding war by war". This policy was intended to build up conditions for a large-scale counter-offensive which would enable them to establish a firm rear area. Pacification programme required the building up of a puppet administration and a puppet army for the repression of the powerful mass movement. Therefore they did their utmost to organize a puppet power and constitute a so-called "*national army*". They pinned great hopes on the "Bao Dai solution" but their quick offensive was forced to give place to defensive tactics.

To concentrate all the main revolutionary forces on fighting the most powerful enemy, French imperialism, and at the same time remedy the defects affecting the fulfilment of the agrarian policy, the Party, in the January 1948 session of the Central Committee, reaffirmed its agrarian policy by adopting the following concrete undertakings:

- Thoroughly to apply the 25 % reduction of land rents (this measure had been neglected in certain regions);

- To suppress all supplementary rents;

- To suppress the system of intermediaries in renting;

- To proceed to an equal distribution of communal lands;

- To give poor peasants the land and property of the French colonialists and reorganize holdings temporarily managed by the government;

- To hand over for a time the lands and property of the Vietnamese traitors to poor peasants and to the people's army for its needs.

- To give the Provincial Resistance Committees the total amount of land rent accrued by landlords absent from their land or residing in the enemy-occupied zone, and to use these to support war victims or buy weapons for village defence, and so on.

(The repayment of these land rents to landlords in certain cases where they were judged to be qualified to receive them, was guaranteed by the government).

- To investigate the debts contracted by peasants with a view to fixing interest rates.

The putting into practice of these agrarian measures proceeded along with other measures relating to the intensification of agricultural production: we shall deal with them in the chapter on the "Policy of Agricultural Development".

A few months later, more precise directives concerning the use of lands and property belonging to the French colonialists and Vietnamese traitors were defined thus :

— To confiscate (by court order) the lands and property of traitors : the lands to be distributed to poor peasants according to plans drawn up by the Resistance Committee, while other property was to be either put at the disposal of the regional Resistance Committees or distributed to peasants.

— To allocate to the Resistance Committees lands belonging to traitors condemned during the August 1945 Insurrection which have been cultivated by popular organizations since that time. (Care should of course be taken to confiscate only lands belonging to the culprits) ;

— To put under the temporary management of the government all the plantations belonging to the French colonialists ;

— To return to the peasants lands proved to have been seized by the French colonialists before the August 1945 Revolution ;

— To found in each of the plantations formerly belonging to the French colonialists a management committee composed of a representative of the district or provincial administration, a representative of the agricultural ministry and three representatives of local farmers. The work plans of this committee had to be approved by the regional Resistance Committee ; its tasks were to distribute lands to the peasants and help them to put under cultivation lands hitherto left fallow.

This agrarian policy of the Resistance was formulated more systematically in August 1948 :

"To gradually reduce the exploitation of peasants by feudal landlords by means of reforms (for example by the reduction

of land rents) while simultaneously proceeding to a transformation of the system of land tenure to such an extent as would not interfere with the interests of the anti-colonialist National United Front."

In other words, the completion of the agrarian revolution must be subject to the specific conditions existing in the country according to the following directives :

— The agrarian policy must push ahead the struggle for national salvation in such a way that it is no impediment to the anti-imperialist National United Front. It must be made clear that the anti-feudal struggle must work in conjunction with the national liberation struggle and indeed should add power to its thrust.

In the specific conditions of our country, to succeed in this objective, it was not possible to abolish the regime of feudal private ownership of landlords immediately, on the contrary this had to be done gradually by limiting the exploitation of the peasants by the feudalists, bringing about by degrees the reduction of land rents and interest rates, the distribution of communal lands, and so on.

Great care was taken in carrying out the agrarian policy, particularly to confiscate lands owned by the French colonialists and Vietnamese traitors. Up to June 30, 1949, in 3,035 communes of Bac Bo, 11,656 hectares (of the 19,033 hectares belonging to the colonialists and 8,280 to the traitors) were temporarily distributed to peasants. On the other hand, there were many shortcomings in the reduction of land rents : for fear of injuring unity in the National United Front the administration agreed to be satisfied with launching appeals to the landlords and

counting on their "understanding". Apart from some "reasonable" landowners, most of them declined to take any notice.

Meanwhile the anti-imperialist drive was ever more pressing: the peasants had to be liberated from all feudal shackles, their living conditions had to be improved in order to intensify agricultural production, and increase the power of the Resistance forces. At this time these tasks were urgent.

On July 14, 1949, a government decree replacing the November 1945 circular of the Ministry of the Interior, fixed a 25% *reduction of land rents* abolished all supplementary rents together with the system of intermediaries in renting, instituted committees for the reduction of land rents at provincial level. Thus the reduction of land rents was carried out more effectively. Even in the contested zones, the peasants demanded the application of the government decree.

According to the reports made by the Resistance Committees of Interzones III and IV, 30 % of the landlords concurred willingly with this new decree, 40 % discharged their obligations but grudgingly; and 30 % remained stubborn. In communes where the authorities did not resolutely back up the peasants, the feudalists opposed the decree by grabbing back the rented lands, threatening to stop giving loans in rice during pre-harvest scarcity period. This counter-offensive of the landlords was somewhat encouraged by the under-estimation of the importance of the anti-feudal struggle by the political cadres who badly misjudged this element in the policy of national unity for the Resistance. On the other hand, in some regions, the struggle for the reduction of land rents went beyond the scheduled limits without, however, dealing properly with the main enemy, the feudal landlord.

To strangle feudal opposition, step up the peasants' struggle and limit feudal exploitation, on May 12, 1950, the government issued a decree on the reduction of usurious rates of interests and the regulation of rent system. The debts contracted before the August 1945 Revolution and those of which the interests paid till the date of the promulgation of this decree had doubled the initial capital were abolished, the interests of the debts contracted before May 1950 were reduced to a maximum of 18 % for the debts in cash and 20% for those in kind; from now on landlords were strictly prohibited from taking back the rented lands without good reason and the peasants were thus guaranteed the right of renting.

The campaign launched with the slogan "Complete the reduction of land rents and achieve the reduction of usurious rates of interests" gave rise to a great revolutionary elation among the peasants which was further encouraged by a new victory of the people's army.

In autumn 1950, the National Resistance entered its 5th year, and the war reached a new phase.

With the victory of the campaign along the Sino-Vietnamese frontier, imperialist encirclement was broken and Viet Bac, the main base of the Resistance, from now on turned into "zone of complete security", was linked to the vast rear area consisting of the long line of brother socialist countries from China to Czechoslovakia.

This great military victory not only shattered the confidence of the enemy, but also consolidated

national unity and reinforced the peasants, struggle against the feudalists and brought it to a more advanced stage.

By May 1952, in 5 provinces of the Viet Bac interzone, 7 provinces of the 3rd interzone and 4 provinces of the 4th interzone, the 25% reduction of land rents fixed by the July 14, 1945, decree was applied to an area of about 50,000 hectares.

Since the first days of the Resistance, the great feudalists served as active agents of the French, other landlords took refuge in the zones occupied by the French Expeditionary Corps. To safeguard the peasants' interests and divide the ranks of the landlords, appropriate measures were adopted.

A government decree of July 14, 1949 effected the temporary distribution to the peasants of lands belonging to the traitors. In 1950, the government issued a decree temporarily giving land belonging to other landlords to landless peasants for their own cultivation. Further decisions would be taken upon the return of these landlords and according to their attitude to the Resistance.

As for the agricultural plantations most recently confiscated from the French colonialists, a government circular was issued distributing them to the peasants on a temporary basis.

By the end of 1951, the temporary distribution to the peasants of lands belonging to the French colonialists and Vietnamese traitors was mainly completed in the liberated zones and in the guerilla bases from north to south (i.e., a total of about 253,863 hectares including 226,373 hectares for Nam Bo, distributed to 500,000 peasants.)

THE FIRST RESISTANCE

The distribution of communal lands to the peasants though it had continued since the days following the August 1945 Revolution, was not completely satisfactory: in many regions women were excluded from the distribution, or too much of these lands was reserved to the collective fund, a policy which did not suit the peasants' interests; in other localities, influential notables managed to appropriate land by roundabout means. In March 1952, the government put into effect provisional regulations relating to a more equal distribution of communal lands to the landless peasants: by 1953 in 3,035 communes of Bac Bo, 184,871 hectares (i.e. 77% of the total amount of these lands) had been put at the disposal of the peasants.

As vast areas of land had been left fallow by the landlords and rich peasants even by those who lived in the liberated zones, to increase the peasants' potential and intensify agricultural production, in May 1950 the government issued a decree requisitioning these lands for the peasants who cultivated them with exemption from taxes for the first three years.

A new fiscal measure was also put into operation in favour of the working peasants with a progressive scale of *agricultural taxes in kind* being set up as from 1951: from 6 to 10% of the total annual agricultural income for the poor peasants, 15 to 20% for the middle peasants, 30 to 45% for the rich peasants and landlords.

The completion of the land policy through successive stages gave the following results:

**BALANCE SHEET OF PARTIAL REFORMS IN 3,035
COMMUNES OF BAC BO**
(in hectares)

Land distributed to peasants	August 1945- July 1949	July 1949- April 1953	Total August 1945- April 1953
Land belonging to the French colonialists	11,656	5,323	16,979
Land belonging to the feudal landlords	25,522	75,366	100,888
Land belonging to the Churches	—	7,472*	7,472
Communal and semi-com- munal land	76,127	108,744	184,871
Total ..	113,305	196,905	310,210
% compared to the total acrages of these com- munes	22	37	59
* from 1945 to 1953.			

If during the period between August 1945-July 1949 the anti-feudal campaign seemed to be marking time, after the working out of various government decrees relating to the reduction of land rents and the temporary distribution of different categories of land to the peasants, a step forward was taken: land distributed to the peasants in the period between July 1949 and April 1953 almost doubled compared with the previous period.

On the whole, landless peasants in these 3,035 communes were given:

89.2% of land belonging to the French colonialists;

84.7% of land belonging to the traitors;

72.7% of land left fallow;

77 % of communal and semi-communal land ;
48.5 % of land of the churches.

In these partial reforms completed in the very difficult conditions of war, in the liberated regions and guerilla bases, the land regime and the situation of social classes in the countryside underwent important transformations: the system of ownership by the French colonialists and feudal traitors was virtually abolished, exploitation of peasants by landlords limited and the political and economic power of the latter considerably weakened; communal lands of which the beneficiaries under the feudal system had to pay a land rent now became to all intents and purposes the property of working peasants. In short, the people's power met the essential demands of the peasants for land and the abolition of land rents and usurious debts.

The situation of classes in the countryside had now clearly evolved in favour of the poor and landless peasants :

SITUATION OF DIFFERENT SOCIAL CLASSES IN 16 PROVINCES OF BAC BO

	Before the August 1945 Revolution		In 1953 : before the radical land reform	
	% of peasant house- holds	% of appro- priated lands	% of peasant house- holds	% of appro- priated lands
Landlords	3.3	22.5	1.8	17.3
Rich peasants	2.2	7.1	1.2	4.4
Middle peasants	32.9	30.4	33.6	34.6
Poor peasants	35.4	10.8	43.5	15.6
Landless peasants	20.6	1.2	11.4	2.1

It was undeniable that, compared with the period before August 1945, the situation and material potential of the working peasants had been definitely improved, their dependence on the landlords reduced and the relations between farmers and landowners changed for the better although feudal exploitation still remained a political, economic and social problem to be finally solved. The successes won by the peasants not only made it possible to develop agricultural production and consolidate the national resistance but also exercise an exemplary influence on the zones occupied by the enemy, encouraging and stimulating the peasants of these regions to intensify the struggle against oppression.

Faced with the peasants' offensive, the landlords tried their best to find a roundabout way of defending their interests.

Some "lent" their lands to former farmers who legally cultivated them for their sake and secretly paid reduced land rents (black rents) or land rents concealed under the guise of work days: the landlords thus killed two birds with one stone; *on the one hand* they put themselves on the right side of the law, *on the other* they obtained paid manpower which was rare and much sought after in war time. Others thought of replacing land rents in cash by those in kind paid two or three years in advance while "selling" their lands to the peasants; these "temporary sellings" were declared to the authorities as loans of land at a specified time. From 1951, on account of the institution of an agricultural tax in kind, landlords chiefly those who possessed dozens of hectares, tried to avoid it. Foreseeing an expropriation they sold their lands definitively or let them out *free of charge*, but arranged it so that they might recover them at a favourable time; concerning free renting, they remained owners of these lands whereas the "farmers" cultivated them and paid the land taxes in kind. In this way

quite a lot of peasants were cheated. The "division of property" was also a method much used by the landlords to safeguard their fortunes: lands were offered to all members of the family, to far relatives and even to former "adopted children". It was not rare to find a few month-old babies "owners" of some hectares. If before the August 1945 Revolution the feudalists had not shrunk from any crime to intensify their exploitation, they now appeared even to be "generous".

Beside its positive aspects, the anti-feudal campaign attained a strategic objective: *"to neutralize the landlords"* while *"keeping them from joining the enemy ranks"*.

After April 1953, though on the retreat, the landlords still owned 58.7% of their lands, which still represented a considerable economic force. Exploitation of peasants, though reduced, remained a great obstacle to the development of the productive forces of the country and the progress of the Resistance forces. In regions where the revolutionary forces were weakest, i.e. those under the occupation of the French Expeditionary Corps, reactionary landlords not only restored their privileges abolished by the August 1945 Revolution but also vengefully intensified oppression and exploitation of peasants in a more brutal manner.

As the antagonism between the landlord class and the peasants was always a fundamental contradiction in the countryside, the agrarian revolution always remained a historical necessity and a fierce class struggle.

2. The Radical Land Reform

After the victory of the campaign along the Sino-Vietnamese frontier, the French policy in

Indochina was ever more closely subordinated to the policy of the United States. The Americans granted all necessary financial and material aid to France to intensify the war.

The enemy tried to defend Bac Bo¹ which was regarded as the "main stronghold against communism in Southeast Asia" while reorganizing the so-called "national army" and "consolidating the Vietnamese State" with Bao Dai as puppet head of State.

During the two years 1951-1952 the war proceeded with every passing day, the enemy developing ever more deadly "pacification" operations.

From 1953 the Resistance against French aggression and American intervention became fiercer.

The more the war progressed and developed, the more the feudalists' reaction became vigorous.

In the occupied zones, the French colonialists and feudalists still hung onto more than two million hectares, the reactionary landlords continued their anti-patriotic oppression. Even in the liberated zones, though the political and economic power of the feudalists was already weakened, the exploitation of peasants to a certain extent continued, some landlords founded reactionary parties or joined in acts of sabotage organized by enemy elements.

The partial reforms, already carried out as we have seen, did not sufficiently meet the demands of the time, which were firstly the necessity of consolidating the rear, secondly the demolishing of the social foundations which might serve the restoration of the colonial and feudal regime and thirdly the creating of favourable conditions for bringing the Resistance to final victory. The fulfilment of

1. Northern part of Viet Nam, Tonkin in colonial times (Ed.).

these conditions called for nothing short of the complete liquidation of the feudalists as a social class. This liquidation was made possible by the military successes of the Resistance which insured a vast and firm rear area following the victories of the "Upper Lao Campaign" in April 1952 and the "Tay Bac Campaign" (the northwest region of Bac Bo) in October-November 1952. The more so as the task of the completion of the anti-feudal revolutionary objectives had already been laid down as early as February 1951, the date of the meeting of the *2nd National Congress* of the Indochinese Communist Party which from then on officially took the name *Viet Nam Workers' Party*: the guide-lines of the new stage of the Resistance were defined at this Congress with the slogan: "All for the front, all for victory!"

In January 1953, at the 4th session of the Central Committee, after severely criticizing the insufficiency and shortcomings of the land reform programme, the Party decided:

"... to abolish completely the system of land ownership under the French colonialists and other imperialists in Viet Nam; to completely abolish the system of feudal land ownership under Vietnamese landlords and foreign residents in Viet Nam; and to set up a new system of land ownership in the interests of the working peasants."

At the same time it pointed out that:

"To complete the land policy, in 1953, it is indispensable to *mobilize the peasant masses for a radical reduction of land rents, the reduction of usurious rates of interests, the redistribution of communal lands, the final and absolute distribution*

to the peasants of lands belonging to the French colonialists and Vietnamese traitors, with the *radical reduction of land rents being the immediate task* to satisfy the first demands of the peasants."

As the land reform was mainly a *class struggle*, the feudal class opposed it with all its strength. The implementation of partial land reforms showed that administrative measures alone were not enough to fight the landlords; persuasion was no longer effective. Only *revolutionary coercion*, i. e., *the force organized by the peasant masses* and supported by the people's power, could force the enemy to capitulate.

For thousands of years, the working peasantry was the most deprived stratum of Vietnamese society. Backward, illiterate, poisoned by superstition, feudal and colonialist ideology and religious obscurantism, the peasants had for too long resigned themselves to their fate. From father to son, dispossessed of their own and chained to the lands of others, subjugated to the feudalists' political and economic oppression, they accepted the domination of the latter as a sign of "God's will" which decreed that "man is born rich or poor". This for centuries obscured their class consciousness and weakened their fighting spirit. In fact even after the August 1945 Revolution, they still showed servility to landowners who occupied some position in the administration or in the National United Front. They were deceived by the honeyed words of landlords with whom they had traditional ties of blood or religion in many cases, accepting their authority or renouncing their own struggle before the threats and blackmail of former masters. Due to these retrograde tendencies it was urgent to liberate the peasants in depth by making them truly conscious of

their class interests, persuade them of the necessity of constant struggle against the feudalists, and the unbeatable force of their class and the worker-peasant alliance. In brief, to draw them more effectively into the anti-feudal struggle, it was necessary to awaken their class consciousness by organizing them, and leading them into the fight in a systematic way according to the political policy of the working class. It was in this mass mobilization that the peasants, through their own experience, could raise their consciousness and class combativeness and prepare themselves for the final struggle.

The "campaign to mobilize the masses for the reduction of land rents" was launched in April 1953 with the issuing of two government decrees on April 12, 1953, one relating to the reduction of land rents and interest rates and the other to the control of recalcitrant reactionary landlords. According to the April 20 directives of the Party it aimed to:

"Overthrow the reactionary forces, weaken the feudalists' economic power, break the feudalists' economic authority, meet the urgent economic demands of the peasants, establish the peasants' political supremacy in the countryside, consolidate the worker-peasant alliance, strengthen and broaden the National United Front, boost production, further the progress of the resistance forces, and prepare conditions for the final completion of the radical land reform."

The implementation of these tasks demanded that the class policy of the Party be clearly defined thus:

"Place firm reliance on the poor peasants and landless peasants, closely unite with middle peasants, ally with rich

peasants, overthrow treacherous feudalists, reactionary landlords and tyrannical notables."

From this time onward, cadres went among the poor peasant masses, shared their daily existence, explained to them the sources of their miseries, explained the new land policy of the Party, showed them the strategy necessary for their liberation from feudal tyranny, and organized them for the struggle. Through this patient and tireless work, they won the confidence of the peasants, aroused their class consciousness, helped them realize their own power in their unity with their class brothers and prepare decisively to fight the feudalists.

With mass meetings being organized and the realization by the peasants of their power, they won confidence to denounce with proof in hand the counter-revolutionary actions and the crimes committed by traitor landowners, reactionary landlords, and notoriously tyrannical notables, all these being the principal targets of their struggle. The latter were later judged by special people's tribunals which condemned them according to the seriousness of their crimes. Other feudalists, landlords and notables who had committed less serious crimes against the peasants were also judged before the masses, then subjected to political education courses, after which they sometimes reluctantly accepted to return to the peasants what they owed them.

The July 14, 1949 25% reduction of land rents was fixed by government decree. This also provided that if the given percentages were too high this rate might surpass 25% so that the reduced land rents must not surpass one-third of the crops. In cases where the rented lands were infertile or difficult to till, this reduction rate could reach 50% or more.

To hamper illegal actions by landlords who tried to recuperate their "lost profits", they were rigorously prohibited from collecting supplementary rents, and disguised rents (for example: paid in work days), rents on housing lands, and from practising the collection of uniform rents for all categories of lands, rents collected in advance and so on.

Moreover, landlords still had to *repay the peasants excess land rents*, calculated from July 14, 1949 for liberated regions, from 1950 for newly-liberated regions and from April 12, 1953 for regions liberated after the July 20, 1954 Geneva Agreements. This measure was applied to those who, by not implementing the July 14, 1949 government decree, either did not reduce land rents, reduced them in an insufficient way or even increased them. It aimed not only to weaken the economic force of the feudalists but also to safeguard the interests of the peasants while stimulating the latter to increase production and stiffen resistance to oppression. Consideration was given to certain cases of rich peasants, who benefited by a reduction of, exemption from, or delay of repayment according to their economic situation. Exempted from this measure were those who, unable to till their land, had been obliged to lease it: invalids, aged persons, war wounded, families of war martyrs, small traders and craftsmen.

The *reduction of interest rates* was one of the objectives of the peasants' struggle. The government decree provided that four categories of debts must be abolished: debts contracted before the August 1945 Revolution; those contracted to feudalists condemned by people's tribunals as traitors to the country; those with their interests, paid till April 12, 1953, having doubled the initial capital; those contracted by those combatants of the National Guard, combatants of the regional

forces, members of the guerilla units, cadres of the administration and mass organizations, young volunteers and "voluntary supply carriers", who had died in action or while on a mission. Moreover, repayment was suspended for the following debts: debts contracted to landlords living in the occupied zones; those contracted by combatants of the People's Army, cadres of the Army, the administration and mass organizations; those contracted by peasants, victims of the war or of natural calamities; all the debts were exonerated from interests during the duration of the decree suspending repayment. Moreover the interests of debts contracted *before* April 12, 1953 must be reduced by 18% for debts in cash and 20% for those in kind and the total of interests to be paid could never exceed the capital.

According to the above decree, repayment also applied to unpaid wages and other property seized from the peasants by the landlords: lands, cattle, work implements, dwelling houses, etc.

The April 12, 1953 government decree was *strictly* applied to traitor landlords, reactionary landlords and tyrannical notables. Consideration was given to ordinary landlords and rich peasants according to their attitude toward the Resistance.

The feudalists had to capitulate.

In 1,875 communes of Bac Bo, they were obliged to repay the peasants 31,110 tons of paddy which they had collected illegally. The administration confiscated from traitor landlords, reactionary landlords and tyrannical notables 15,475 hectares of land and 8,248 draught animals. 546,174 households consisting of 1,801,099 working peasants (i.e., 60% of the total in these localities) benefited by this distribution of paddy, draught animals, and

other property (except for confiscated land which was due to be distributed finally at the last stage of the land reform).

Thus the "campaign to mobilize the masses for the reduction of land rents and interest rates" was concluded successfully.

This was a crippling blow to the feudal class.

The peasant masses were now awakened, conscious of their power, trained, ready for the fight and prepared for the final struggle, the complete overthrow of the feudal class and the fulfilment of the anti-feudal revolutionary objective.

With Winter 1953, the war arrived at a turning-point.

The Americans, beaten in Korea, tried to manoeuvre the French into a subordinate role in the direction of the Indochina war by increasing their financial aid and sending weapons to the French Expeditionary forces in Viet Nam.

As Commander-in-Chief Navarre worked out an operational plan bearing his name, which, in conformity with instruction from the Pentagon was calculated within 18 months and three stages, to annihilate the revolutionary forces and completely pacify the country. With increased aid from the Americans, he then tried to organize the so-called "national army" and strengthen the French Expeditionary Corps.

Great operations were then launched all over the country, and massive bombing attacks directed against the liberated zones.

To break the "Navarre plan" then became the immediate task of the People's Army of the "Autumn-Winter 1953 Campaign". *The climax of this offensive plan was Dien Bien Phu.*

The necessity of stirring up a great revolutionary impetus among the peasants, urging them to bring a greater contribution to the implementation of

the present tasks, in order to give a stronger impulse to the Resistance, in the front as much as in the rear, in the liberated zones as much as in the occupied zones, demanded the immediate *definitive and complete* abolition of the feudal class as a class. To this end the slogan "to give land to the tiller", a fundamental objective of the agrarian revolution, must at this point become a reality.

President Ho Chi Minh said in this connection :

"The key to victory of the Resistance lies in consolidating and broadening the *National United Front*, strengthening the worker-peasant alliance and the people's power, reinforcing and developing the army, consolidating the Party and strengthening its leadership in all fields. Only by mobilizing the masses for land reform can we fulfil these tasks with successes."

Ho Chi Minh, *Selected Writings*, (in Vietnamese), Su That Publishing House, Hanoi, Page 464.

In early November 1953, the Central Committee of the Party held its 5th session and formulated this plan :

"Substantially to improve the living conditions of the peasants, and mobilize ~~all~~ the material and human resources for the conduct of the long-term Resistance, for defeating the American interventionists, overthrowing the puppet administration and completely liberating the country ;

To liberate the productive forces in the countryside, boost agricultural production and pave the way for industrial and commercial development necessary for the Resistance and for national reconstruction ;

To this end it is necessary to abolish the system of colonial land ownership throughout Viet Nam, the entire system of feudal ownership and to set up a new system of peasant land ownership, *give land to the tiller.*"

The final stage of *land reform* was thus decided by the 1st National Conference of the Party held on November 14 to 23, 1953.

The First National Assembly adopted the law on *land reform* in its 3rd session on December 1 to 4, 1953, and President Ho Chi Minh *promulgated it by decree on December 19, 1953.*

The only problem remaining was to mobilize the peasant masses for the fulfilment of this essential task.

In late December 1953, the first test of this last stage of the anti-feudal campaign began in six communes of Dai Tu district, Thai Nguyen province. Following this came the *first wave* of land reform, completed in 53 communes of Thai Nguyen and Thanh Hoa provinces, in the centre of the liberated zone which spread from the Sino-Vietnamese frontier to the 16th parallel.

Some thought that this time it should be enough to distribute land to the tiller and that it was not necessary to mobilize the masses:

If during the April 1953 "Campaign to reduce land rents and interest rates" great feudalists were in general hit, many could still escape these measures. Though knocked on the head the feudal class still remained as a class. The peasants, though awakened and conscious of their power, did not completely understand the demarcation between peasants and landlords as social classes.

Land reform is class struggle brought to a high degree, a sharper and more consistent form. Apart from its radical character aimed at definitively abolishing the feudal class, it must and can only be carried out by the peasant masses themselves under the leadership of the working class. The more the peasant masses are conscious of their mission and firmly grasp the defence of their interests, the greater becomes the importance of this task. Besides, as land reform is only a transitional stage toward socialism in the countryside, the building of socialism will become easier if this important stage is radically fulfilled.

The Party class policy in the countryside is always a mainspring in the execution of this campaign.

The poor and landless peasants were not only the most numerous but also the most dispossessed, exploited and oppressed part of the rural population. As they had always kept a deep hatred of the feudalists and constantly longed to possess their own land, they constituted the most resolute revolutionary force for the overthrowing of the feudal regime. Awakened to their class consciousness, organized and trained for the struggle, the poor and landless peasants formed the backbone of a powerful and dedicated anti-feudal (and anti-colonial) army. Without their involvement, the anti-feudal forces would have been formless, the land reform would have been deprived of its mass character and the class struggle would inevitably have been defeated. *Firmly to rely on the poor and landless peasants* was thus the first and indispensable condition of success in the anti-feudal struggle, the key of the class policy of the Party in the countryside.

In carrying out this, however, there was another important link which must not be neglected: "*To closely unite with the middle peasants.*" Though being independent producers, they were also subjected to feudal and colonial oppression. Their unstable economic situation was constantly menaced by the feudalists who coveted their lands. Apart from their political and economic situation the middle peasants were also in favour of the land reform which obviously brought them advantages. To unite with the middle peasants was thus another demand of the anti-feudal struggle: in this sense, the worker-peasant alliance, in practice, was the alliance of the working class with the poor, landless and middle peasants for the people's national democratic revolution, and also the socialist revolution (at least in the first stage of this revolution). However, the middle peasants did not exhibit the same revolutionary firmness as the poor and landless peasants. Therefore close cooperation with them was only possible by "firmly relying on the poor and landless peasants". For these reasons, it was recommended that in land reform, from an economic point of view, it was necessary not only to safeguard the interests of these "allies" but also to make it clear to them that they would benefit by allying themselves to the peasants' struggle, give land to those of them who were of inferior status, and in political matters, to encourage them to participate in the leadership of the administration and communal mass organizations.

As the objective of the land reform was to abolish the feudal system and the feudal class, the necessity of consolidating the anti-imperialist and anti-feudal National United Front and of maintaining cohesion demanded a policy of broad alliance: thus the principle of *allying with the rich peasants* must be grasped and implemented.

The rich peasants formed an exploiting stratum at a lower level and on a smaller scale, implanted in the countryside for centuries. They chiefly exploited the hired labour of landless peasants while also renting out their lands and practising usury. On account of their position as exploiters they opposed the land reform; but in cases where they could be regarded as working peasants because they themselves tilled their lands, they became sympathetic to the revolution. In spite of their "feudal connection", they could not be regarded as enemies in the struggle. On the contrary, because of the necessity of "concentrating all forces for overthrowing the feudal power, isolating the landlords, achieving peasants' unity, intensifying production, strengthening the Resistance, taking advantage of the rich peasants' economy to develop production, and stimulating the middle peasants to develop production", it was necessary to *make an alliance with the rich peasants*. For all the above reasons, the economy of rich peasants, their lands and property were spared; rich peasants were permitted to hire paid man-power for production; in the political field, they had the right to vote, were eligible and could be elected to the communal people's council. However it was necessary to guard against the tendency to compromise with the rich peasants, and to take care not to give them the same treatment as the middle peasants.

The feudal class, the main enemy, must be entirely rooted out and its economic base demolished. However, during the Resistance, a division happened on the political plane in the ranks of the feudalists on account of the character of the Resistance, which in fact succeeded in drawing in its ranks certain of the landlord class and even some feudalists. In order to "have as many friends and as few foes as possible, it was necessary to divide

the feudalists to the utmost. This was done by classifying them into three categories according to their attitude toward the Resistance and not according to the acreage of their property thus :

1. Traitor landlords, reactionary landlords and tyrannical notables who had committed crimes against the Fatherland and the peasants ;

2. Ordinary landlords who lived mainly on land rents ;

3. Landlords participating in the Resistance and those having children participating in the Resistance ; "democratic personalities", i.e. individuals sympathetic to democracy.

Different policies were adopted towards each of these three categories.

Industrialists, traders and leaders of religious cults, though they exploited the peasants by renting their lands, were not considered feudal land-owners according to this categorisation. Regard was thus paid to the bourgeoisie, an ally of the working class in the people's national democratic revolution, and to the religious beliefs of the masses.

The correct application of class policy would decide the success of the land reform.

It depended on a work of great importance : *the social classification of different rural strata* aimed to draw a clear distinction between peasants and landlords, making the difference between "friends" and "foes", striking accurate blows, and consolidating unity among the working peasants.

The experience of the April 1953 "campaign to reduce land rents and interest rates" had shown that the feudalists resisted fiercely : by infiltrating the peasants' organizations they could preserve their property. By all methods (manœuvre, blackmail, bribery) they tried to sow division and discord

among peasants; hide their property, get themselves "forgiven" or classed as mere rich peasants. Moreover, not a few poor peasants, chiefly those having blood ties with the feudalists, remained reserved. They still clung to certain fears and superstitions connected with retrograde tendencies.

Only a tireless struggle waged by peasants awakened to class consciousness, and politically educated, ready to lead the masses to victory could succeed in breaking the power of the feudalists. On the other hand, it was necessary to guard against "leftist" tendencies, narrow-mindedness, personal revenge, lack of a broad understanding of the land policy and especially the class policy of the Party in the countryside, for through these deviations harm could be done to the struggle.

The work of classification was made publicly: traitor landlords, reactionary landlords and tyrannical notables were judged in public by their victims, then brought to the people's tribunals for sentencing. Ordinary landlords were asked to classify themselves before representatives of the leading committee of the Peasants' Union of the commune with the cooperation of the local peasants; refractory persons were unmasked by "vitnesses for the prosecution" or brought before the masses; obedient persons were classed as such by the Peasants' Union unless exceptions were declared.

Then it was necessary to make an inventory of the land and other property (cattle, work implements, dwelling houses, food stocks) belonging to landlords: this difficult and complicated work could only be done by relying on the masses: only they could smell out the deceptions and illegal transactions of their local landlords.

On the basis of classifications made by the masses themselves, the Leading Committee of the Peasants'

Union of the commune took measures to deal with each category of landlords according to the legislation of December 19, 1953 on land reform.

The lands and property of traitor landlords were *confiscated*; those of reactionary landlords and tyrannical notables were *partly confiscated* according to the degree of their crimes, the rest was requisitioned without compensation. The lands, cattle and work implements (though not all the property) of landlords participating in the Resistance and of those having children participating in the Resistance and of ordinary landlords were *requisitioned with compensation*. The first two, along with "democratic personalities", industrialists and traders who had lands to rent, benefited by the "right to donate" their lands.

As a political measure, *confiscation* was a humiliating and punitive measure, whereas *requisition without compensation* was mainly aimed at communal lands, semi-communal lands and lands of religious communities. *Requisition with compensation* was a measure considered favourable to the beneficiaries; compensations relating to lands were calculated on the basis of yearly harvests, and those relating to cattle and work implements, on the basis of current prices. They would be paid by the government in ten years' time with 1.5% annual interests paid in the meantime.

We have seen that to avoid applying the decrees on land rents (of July 14, 1949 and April 12, 1953) and the decree on agricultural taxes in kind (1951) the landlords had fraudulently "sold" their lands to the amount of 100,000 hectares (i.e. 40% of the total amount of land they had seized in 3,035 communes of Bac Bo before the August 1945 Revolution). These "sales" were considered illegal, the lands sold within the period from July 14, 1949 and

April 12, 1953 would unquestionably belong to the buyers if they were poor and landless peasants, the right of ownership of the "sellers" being abolished; the lands "sold" after April 12, 1953 were *confiscated* and the perpetrators of these illegal sales were obliged to compensate the buyers.

"Land to the tiller": this principle — a fundamental objective of the land revolution — was strictly observed during the distribution of land acquired under the operation of the land reform law of which *the main beneficiaries were poor and landless peasants*. However, disinherited country people other than peasants also had the right to own a plot of land if by their trade they did not earn sufficient livelihood.

Great consideration was paid to those who had contributed to the Resistance: war heroes, revolutionary combatants, war invalids, cadres of the administration and mass organizations, state employees, workers of the State enterprises received a part equal to those of peasants if their families lived in the countryside.

To help democratic personalities and landlords participating in the Resistance, those having children participating in the Resistance, and ordinary landlords and their families to participate in production so as to encourage their political consciousness, a part nearly equal to that handed to the peasants was given to them, the first three categories being given priority and benefiting accordingly.

Traitor feudalists, reactionary landlords and tyrannical notables were allowed a share only if they did not incur penalties exceeding five years' imprisonment, whereas other members of their families had the right to a share.

The humane aspect and class stand of the land reform in the distribution of land, were also shown in the allocation of land to soldiers of peasant stock in the puppet army. Until they left the enemy ranks, the plots assigned to them were run by the Resistance Committee or the Peasants' Union of the commune.

To meet the demands of the poor, landless and middle peasants of the lower strata, the division of land had to be made according to the needs, the acreage already possessed by such families and the number of mouths to feed and not according to its calculated manpower.

As the first wave of the land reform reached achievement, the Resistance entered upon a crucial phase with decisive counter-offensives launched by the people's Army, leading to the siege of Dien Bien Phu in January 1954.

In the great revolutionary impetus that followed hundreds of thousands of peasants joined the Front. The slogan "land to the peasant" reached the front lines and aroused the enthusiasm of peasant soldiers.

After 55 days and nights of fierce combat, this entrenched camp which the French had affirmed to be impregnable, fell to our army on May 7, 1954.

The land reform "contributed decisively to the historic victory of Dien Bien Phu" ¹

The *first wave* of the land reform (consecutively with the 5th wave of the "campaign to reduce land rents and interest rates) ended just at the moment when peace was restored in Indochina.

With the North completely liberated, the land reform was rapidly carried out in the newly-liberated zones (except the mountainous regions where it was carried out in August 1958 and completed in

1. Vo Nguyen Giap, *Dien Bien Phu* (In Vietnamese), People's Army Publishing House, p. 201.

July 1961). This was the fundamental condition for post-war economic rehabilitation and development.

Modifications and additional considerations for the carrying out of land reform were made after the signing of the July 1954 Geneva Agreements. The object of this was to limit the extent of the struggle by cutting down the number of landlords to be struggled against, change the methods of struggle, strengthen the role of people's tribunals, extend the application of requisitions with compensation, develop the right of "donation", give more sympathetic consideration to those industrialists and traders possessing rentable lands.

The achievement of the land reform was going ahead in the most favourable conditions. In newly-liberated regions, the balance of forces was changed in favour of the peasants: with the departure of the French imperialists, the feudal class lost its dominating position in the countryside. Most of the traitor feudalists, reactionary landlords and tyrannical notables followed the enemy to the South, those who remained in the North were in complete confusion. At the same time, the political supremacy of the peasants grew with the establishment of the people's administration.

However, the complicated political and social situation left by the departure of the enemy gave rise to certain difficulties: the French and Americans had been careful to leave many of their agents on the spot (some reactionary landlords, tyrannical notables, numerous soldiers and functionaries of the puppet army and administration, and reactionary priests).

The radical mobilization of the peasant masses was therefore a necessity for dealing decisive blows at the counter-revolutionaries and finally destroying these remnants of the feudal class.

It was in this new situation that the nascent errors which had been committed during the "campaign to reduce land rents and interest rates" and the first wave of the land reform found suitable ground to multiply.

Errors of a general character had been committed in applying the class policy in the countryside.

As we have seen the people's national democratic revolution must fulfil two fundamental campaigns: anti-imperialist and anti-feudal. These two were inseparable from each other, the anti-imperialist campaign being the most urgent. Thus it was necessary to consolidate the anti-imperialist National United Front, coordinate the agrarian policy with the national unity policy, the consolidation of the worker-peasant alliance with the broadening and consolidation of the anti-imperialist national union.

Owing to an insufficient appraisal of the close link between the anti-imperialist and anti-feudal revolutionary campaigns, combatants and cadres underestimated the necessity of broadening the National United Front, uniting with the middle peasants, allying with the rich peasants, dividing the feudalists' ranks, taking into account landlords participating in the Resistance and those having children participating in the Resistance, thoroughly assimilating the policy "of consolidating the North while giving careful consideration to the needs of the South."

These "leftist" errors manifested themselves mainly in incorrect assessment of the active role of middle peasants in the Revolution; their hesitating and unstable character was exaggerated, and they were too readily written off as "intermediary strata", which led to their being identified with rich peasants, even with landlords. Their lands and property were confiscated and requisitioned with or

without compensation. There were cases of their being evicted from village administrative committees and Peasants' Unions. In this way a serious blow could have been dealt at the unity between poor peasants, landless peasants and middle peasants, thus weakening the anti-feudal forces.

Rich peasants were treated too much on a par with landlords. Their lands and property were often confiscated or requisitioned without compensation.

The necessity to differentiate the various categories of feudalists was underestimated, regarded as of secondary importance even as a manifestation of "rightist" or opportunist tendency. Emphasis was only given to the need to radically abolish the feudal class. As a consequence of this error, the number of reactionary landlords and tyrannical notables to be overthrown was exaggerated. The number of landlords participating in the Resistance and those having children participating in the Resistance was arbitrarily limited. They were treated with too little consideration and their right of "donation" was restricted. Measures intended to be aimed at great landlords and tyrannical notables were applied to ordinary and small landlords and a great part of their lands and other property were requisitioned without compensation.

During the summer of 1956, while the 5th wave, the final one of the land reform was nearing completion, the Party brought to light these errors and began the task of putting them to rights.

At the 10th (enlarged) session of the Central Committee in October 1956, it first analysed the great successes of the land reform:

"In north Viet Nam at present, the landlord class has been generally overthrown. The lands are in the possession of the peasants. More than ten million

working peasants have become masters of the countryside; tens of thousands of peasant cadres have been formed and politically educated; the system of feudal land ownership has been abolished for ever.

"This means a great economic, political and social transformation. The centuries-old aspirations of the peasants have been satisfied. The slogan "land to the tiller" has been realised. Initial steps have been taken in raising the political consciousness of the working peasants. Millions of peasants have realized that their lands are now in their own possession due to the work of the Party and the people's power. In the countryside the productive forces have been liberated and production relations are beginning to be transformed. This makes it possible to intensify agricultural production and improve the peasants' living standard. A new stage of development has begun in the countryside, opening the way for the development of industry and commerce, bringing a great contribution to the consolidation of the north and to the economic and cultural development of the country in general."

Then after making a severe criticism of the errors as described earlier the Party pointed out:

"We must firmly and energetically rectify the errors committed in land reform..., first by developing to the maximum the results of our successes. For this, it is necessary firmly to uphold both the class policy of the Party in the countryside and the traditions of unity

between the Party and the people. We must correctly apply our policy on the rectification of errors, achieve and insure unity among the organizations and the people thus stabilizing the situation in the countryside, arousing enthusiasm, stepping up production and successfully completing the land reform. We shall thus further the consolidation of the North, strengthen our ties with the South, and finally achieve national reunification."

The profound study of former errors and this decisive, sincere and courageous self-criticism made in public followed by the firm and judicious rectifications could only have been made by a genuinely revolutionary Marxist-Leninist Party with full confidence in its own forces and in the masses and enjoying the confidence of the masses.

Under the leadership of the Party, the campaign of rectification was carried out in a methodical and effective way, though not without some difficulties. Taking advantage of the temporary complications in the situation at home and even more abroad, counter-revolutionaries (reactionary landlords and tyrannical notables, bourgeois elements, nationalist "intellectuals", reactionary priests and spies and so on) tried to reappear, and cause troubles, trying to undermine the Party and the people's regime. Their efforts were in vain.

The campaign of rectification of errors ended in late 1957 and together with it, the land reform and the people's national democratic revolution in the North was achieved. It was carried out in the rural areas (all the delta and almost all the midlands) comprising 1.5 million cultivated hectares with 10 million inhabitants, bringing to the peasants all the lands confiscated and requisitioned with or without

compensation. It confirmed the peasants' right of ownership of all the lands provisionally given during the partial reforms or illegally sold by landlords.

All told, 810,000 hectares of land, 1,846,000 farm implements, 106,448 draught animals and 148,565 houses were distributed to 2,104,138 peasant households including 8,323,636 inhabitants (72.8% of the rural population).

	Number of bene- ficiary house- holds (1,000)	Acreage acquired (1,000 ha.)	Average by family (sq. m.)
Wage-earning peasants	416.0	170.4	4,095
Poor peasants	1,059.8	440.4	4,155
Middle peasants	539.6	179.0	3,317
Country people other than peasants	35.8	8.5	2,282
Other working people	52.9	11.7	2,216.

The agrarian structures were radically reformed

LAND APPROPRIATION PER MOUTH TO FEED :
(in square metre)

	Before the ra- dical land reform	After the rectification of errors
Landlord	6,779	825
Rich peasant	2,116	2,159
Middle peasant	999	1,610
Poor peasant	343	1,437
Landless peasant	262	1,421

1. Note the scanty acreage.

LAND APPROPRIATION BY RURAL STRATA
(in percentage of the total)

	Before April 12, 1953 ¹ and the radical land reform ²	After the rectification of errors
Communal and semi- communal lands	4.3	0.7
French colonialists	—	—
Churches	1.3	0.1
Landlords	18.0	1.1
Rich peasants	4.7	1.8
Middle peasants	39.0	41.7
Poor peasants	25.4	40.0
Wage-earning peasants	6.3	12.0
Others	1.0	2.6
	100.0	100.0

1. Date of the promulgation of the decree relating to the reduction of land rents and interest rates. For newly liberated regions, before July 1954.

2. Appropriated land + land in cultivation.

From now on, the system of feudal and colonial land ownership was *completely* abolished, the feudal class *totally* overthrown, and land *definitively* and *lawfully* belonged to the working peasants.

The land reform had an immediate effect on agricultural production.

The peasants, now masters of their land which they had longed for during centuries, enthusiastically intensified production. Some figures suffice to show the benefits of the abolition of the feudal relations of production :

	1939	1955	1956	1957	1958
Cultivated areas (1000 ha.)	2,124.9	2,626.6	2,874.2	2,636.7	2,693.8
Irrigated areas (1000 ha.)	365.0	922.6	1,570.8	1,527.8	1,587.7
Paddy yield (tons/ha.)	1.304	1.62	1.82	1.801	2.047
Total food production (1000 t.)	2,595.8	3,893.0	4,705.4	4,092.9	4,935.2
Total paddy production (1000 t.)	2,407.0	3,523.4	4,135.6	3,948.0	4,576.9
Food production per head (kilo)	227.7	286.8	335.1	285.7	328.4
Paddy production per head (kilo)	211.2	259.5	294.5	271.8	304.6

With an average yearly ration of 250 kilos of paddy per head of the people, it was already possible to obtain a surplus of more than 640,000 tons on an average a year (for the four years 1955-1958). This would make it possible to feed 2.5 million more people. Only the quantity of paddy previously paid as land rents to the landlords who used them for unproductive profit hoarding, and coming from 810,000 hectares distributed to the peasants — (50% of 810,000 ha. $\times$ 1.3 tons = 526,500 tons) could now be used for accumulation or for feeding more than 2,106,000 persons a year (with an average yearly ration of 250 kilos). By simply abolishing feudal exploitation and without raising the yields or the number of workdays, conditions such as those which produced the 1945 large-scale famine were avoided and millions of peasants fed.

Since the abolition of the colonial and feudal domination, the DRVN has not known famine or chronic food shortage.

The living standard of peasants has been improved in every way.

CONSUMPTION PER INHABITANT

	1955	1956	1957	1958
Rice (kilo)	115	151	150.4	150.3
Salt (kilo)	4.75	5.11	5.07	5.24
Fish brine (litre)	0.73	0.99	1.36	1.50
Meat (kilo)	4.24	4.48	7.06	6.14
Sugar (kilo)	0.58	0.95	1.06	1.10
Cotton fabric (metre)	3.52	4.96	5.24	4.49
Soap (kilo)	0.10	0.14	0.19	0.22
Paper (quire)	0.77	0.92	0.91	1.01
Kerosene (litre)	0.35	0.74	0.98	1.07

This is still little enough, but it means much in comparison with former times, because with the people's regime what is accomplished is not a theoretical average but food for everyone. No one dies of hunger outside the gates of houses stuffed with food and riches.

The peasant who but a few years ago was constantly struggling with famine, has realised this centuries-old dream: "to eat his fill". Yesterday a landless peasant haunted by hunger, persecuted by land rents, usurious rates of interests, "presents" and corvées, he is now a "small land-owner", possessing means of production and having a permanent and inalienable right of ownership enabling him securely to support his wife and children. His social condition has completely changed. He has become a man "standing up".

Agriculture can be developed to become the most important starting point for the rehabilitation of industry, commerce and the whole national economy:

INCREASE OF THE VALUE OF TOTAL INDUSTRIAL AND AGRICULTURAL PRODUCTION

(1955 = 100)

	Total value	Including	
		Industry	Agriculture
1956	131.3	198.0	118.0
1957	146.6	273.2	121.0
1958	171.6	320.0	141.5

It also created the initial base for the building of an independent national economy and a modern agriculture for the advance towards socialism.

However, in liberating the peasants and agriculture from feudal shackles, even a radical land reform leaves intact certain areas of private land ownership and small-scale production which leave open a chink for the spontaneous redevelopment of capitalism, a chance for a new exploitation of man by man and a return of the inequality of social classes in the countryside. The task here is to go beyond this *transitional stage*; private ownership of the land must be transformed into socialist collective ownership, and small-scale production into large-scale socialist production.

The history of the past thirty years of the DRVN shows clearly that the radical land reform was not only an objective of the people's national democratic revolution but also a lever and an indispensable condition of the socialist revolution in the countryside. In this lies its universal significance.

Certainly, errors have been committed.

But, *any revolution, if it is to succeed, cannot be carried out entirely peacefully. It must be made through violence exerted by the masses, under the leadership of the working class. The exploiters' class never gives up its "rights" of its own free will.*

The land reform in Viet Nam was carried out in the difficult conditions of the national liberation war to which it was closely linked, and had to be coordinated with it.

The essential point is that this agrarian revolution was successful. *Without it, there would have been neither victory over French imperialism, nor the victory of socialism in the DRVN, nor the final victory over American imperialism.*

AGRICULTURAL DEVELOPMENT

The economy of the Vietnamese resistance was essentially a rural subsistence economy.

Consequently, the question of the peasants and their problems and the formulation of a general agricultural policy were fundamental economic aspects of the national liberation struggle.

The economic policy should grow out of the first and take the second as a basic outline for development, a solution to the peasant problem being the fundamental condition to agricultural development, which is the main objective.

"To conduct a long resistance war and rely on our own resources" requires thus a struggle on two fronts: armed struggle and intensification of production, the main link between these two being the effort to carry out the slogan: "The more plentiful the food, the more powerful the army."

Our economy in the resistance was thus a self-sufficient agricultural economy.

The Party's Second National Congress pointed out that: "Agriculture is at present and will remain for a long time to come our vital economic base. Agricultural development is thus the principal task of economic development to supply the Resistance."

"To produce and increase production" for self-sufficiency is the duty of everyone whatever may be his social status.

For that purpose a series of adequate and appropriate agricultural measures were taken.

I — Intensification of production

*Ricefields are battlefields,
Ploughs and hoes are weapons
The peasants are soldiers,
Let our compatriots in the rear vie with those
at the front.*

That appeal launched by President Ho Chi Minh aroused a great revolutionary impetus in the "battle for production..."

Everywhere, peasants, soldiers of the people's army, cadres of the administration and mass organizations, workers, students, traders, in fact the entire people, harnessed themselves to production, to intensify output in order to become self-sufficient in food, to solve the food problem their own way.

In the midlands and particularly in the highlands where there were the leading organizations of the Resistance, large areas were reserved for crop growing. Each army unit had its own "plot" where, between military operations, its members worked to fulfil their own requirements; each administrative office, each mass organization, each state enterprise, each school, tended its own kitchen garden and cassava field; the families evacuated from the towns also got down to clearing land.

That self-sufficiency campaign enabled the State and the peasants to reduce their expenditure and to overcome the difficulties in the supply of food during the early days.

Nevertheless, the contribution of the peasants was always the most important source of supply to the Resistance, in the first place to the front. Technical, economic, financial and political measures were necessary to step up production in that sector.

In order to accelerate production after the temporary division of land among the peasants, and other measures adopted in the agrarian reform programme provision was made for :

- the stabilization of new relations of production ;
- assistance to peasants in draught animals, farm tools, seeds, foodstuffs, mainly in the heavily war torn areas ;
- the organization of production, agricultural work and loans under an appropriate plan and the supply of necessities to the peasants ;
- the improvement of agricultural technique,
- the stabilization of prices of agricultural products, mainly rice.

In the regions where land reform was not radically carried out, measures were taken to :

- guarantee the crop revenue to the tillers ;
- reduce the acreage of fallow land, encourage the clearing of virgin land ;
- exonerate from taxes the crop surplus derived from careful farming ;
- guarantee freedom to hire farm hands and draught animals, and to borrow and lend money ;
- stimulate mutual assistance among the peasants ;
- encourage additional occupations ;
- reward those farmers who materially boosted production ;
- prohibit and severely punish all impediments caused to production, defend the advances secured by the peasants in the struggle against the feudalists.

Despite great difficulties caused by the war, the improvement of farming techniques was always the principal factor in the intensification of production. It consists not so much of introducing modern techniques, as of improving the present rudimentary farming methods which alone should be sufficient to increase production.

In this respect, priority was given to water control, the only means as always in combating drought, water-logging, annual floods. This was an acute and difficult struggle. Added to these natural calamities was the havoc wrought by French troops.

Agricultural water control took precedence.

It must be remembered that during the eighty years of French rule the biggest irrigation system watered only 200,000 hectares of land belonging almost exclusively to the French colonialists and local landlords. Those peasants who wanted to share this blessing, had to pay a tax, which was possible only to some landowners and rich peasants. At the beginning of the Resistance, virtually all these water works were destroyed and put out of action by the enemy.

Great importance was attached to small irrigation works with dense networks of ditches and irrigation canals, ponds and wells as water reservoirs. Though rudimentary, these small traditional works were easy to build and to repair after a bombing raid and less expensive. They covered all the liberated areas, from Viet Bac to the 5th Inter-zone and made it possible to irrigate hundreds of thousands of hectares of ricefields: in 1954, 300,000 hectares of the two provinces of Thanh Hoa and Nghe An were saved from a 7-month drought; in the 5th Interzone, where drought was rampant, 100,000 hectares of land were watered by 30,000 small works of this kind; in Thai Nguyen and Bac Giang provinces 7000 hectares were put again under cultivation or 37% of the land left fallow by the destruction of the irrigation works at Thac Huong and Van Gia; the 4th interzone succeeded in maintaining its annual food production despite the destruction of the Do Luong dam (Nghe Tinh province) by enemy bombings.

In the liberated zone, medium-sized irrigation works were either repaired or built: for instance the construction of the big water reservoirs in Nghe An province, the repair of big irrigation canals in Quang Ngai province.

All these works done during the bombings have given the following results:

	Total irrigated areas (hectares)	Areas irrigated by small works (hectares)
1947	350,000	45,000
1948	390,500	69,000
1949	424,500	102,500
1950	453,200	134,000
1951	482,900	160,700
1952	428,600	193,700
1953	520,800	255,300
1954	650,000	405,300

For centuries, the bursting of dykes has been the most redoubtable scourge in north Viet Nam: between 1905 and 1945, there were 16 dyke breaches and inundations, or once every 2.5 years: the dyke breaking in 1945 caused a catastrophic flood which aggravated the havoc wrought by the great famine in 1945-1946. This was the consequence of the carelessness of the colonial administration which in 60 years neglected work on the embankment, shifting only 102,500,000 cubic metres of earth or 1,700,000 cubic metres a year on an average.

Since the early days of the people's power, the government has mobilized the population to mend and consolidate the dykes: in six months, 17 breaches were filled by 3 million cubic metres of

earth requiring 3.4 million work-days. These initial efforts made it possible to ward off an impending flood in 1946 and to obtain a good crop in the 5th lunar month: famine was thus avoided.

During the resistance war, the enemy hit hard at the dykes. Their protection was thus an important objective for agricultural production and consequently for the armed struggle: in eight years, with a redoubled effort, the peasants moved 15.2 million cubic metres of earth accounting for 21.3 million work days, or 1.9 million cubic metres of earth a year, or 200,000 cubic metres more than the annual work done by the colonial administration in peace time. Thanks to these works, dyke burstings and inundations were avoided during the Resistance; even the devastations of the serious flood in 1947 were limited:

Some improvements have been brought to agricultural technique.

In the regions where water works were heavily damaged or where it was difficult to build medium-sized works due to intense enemy bombings, rice was replaced by dry crops, chiefly 3-month sweet potatoes.

A widespread movement was launched for the preparation of *green composts* to offset the shortage of pig dung.

The greatest innovation achieved in agriculture during the resistance war was the introduction of *Nam Ninh*, a new rice strain of short growth (3-4 months).

This rice variety grown for the first time in 1948 by a peasant in the mountainous province of Lang Son, transplanted in Spring (February) and harvested in Summer (May-June), enabled the fields to be free in time for another crop to be harvested in the 10th lunar month (November). That initiative enabled us to harvest an extra crop to meet our

urgent needs, for at this time it was necessary rapidly to boost food production. That *spring rice* was first grown in Lang Son province (which set the technical standards for its growing), then spread to other provinces in the highlands. In 1954, 5,000 hectares were planted with the new rice (as against 900 hectares in 1953), yielding 10,000 tons of paddy, a notable contribution in that time of food shortage. From 1955 onward, that rice has continued to be grown in these regions on an area six times as large. In the following years it was grown in the midlands and delta where it becomes the main rice crop in the winter-spring season, and definitively replaces the 5th-lunar month rice. Thus the "green revolution" began in the DRVN under French bombing to be further developed under American bombing.

The farm implements remained as ever primitive; nevertheless, thanks to the acquisitions made through land reform, the peasants were able to buy them in great numbers.

The reclamation of fallow land was forging ahead: in 1953 alone, the peasants in Bac Bo wrested back 45,000 hectares of cropland from the "no man's land" systematically destroyed by the enemy. In the first three months of 1950, 4,560 hectares of land were cleared in the 5th interzone enabling the peasants to increase the acreage of cropland by 14,233 hectares.

As most of the able-bodied young men had joined the army or were mobilized to build defence works, agriculture met with an acute shortage of manpower, the more so since transport was dependent upon sheer physical strength, owing to the lack of mechanized transportation means.

To cope with that state of things, appropriate measures had to be taken.

Mutual assistance was a long-standing tradition among the Vietnamese toiling peasants. Inspired by the resurgence of patriotic feeling, that common spirit has become a great collective force. The first mutual assistance teams were set up in the early days of the resistance war: the peasants pooled their efforts to dig ditches and irrigation canals, or to till, transplant and harvest their crops. They eventually became strong enough to overcome all obstacles in the struggle against natural calamities and against the enemy. At the outset of 1949, there were already 27,300 mutual-aid teams throughout the country. At the end of the resistance war, that movement which developed rapidly enabled the problems of manpower for agriculture to be solved as well as those of supply to the battlefield. The mutual-aid teams were developed to a higher level: organized first on a small scale for each task or each crop by the good will of individuals, they are run now on a permanent basis with a fair remuneration according to the contribution of each and organised under the guidance of the Peasants' Union, thus establishing the pattern of future agricultural cooperatives.

Regarding the families (of wounded soldiers, war invalids, war martyrs, of soldiers fighting at the front and carriers running supplies to the front) who were short-handed, the mass organizations (Women's Union, Youth Union, Peasants' Association) mobilized their members to help them in production work.

From 1950 onwards, as the requirements of the front became greater, hundreds of thousands of people were mobilized to serve the military campaigns. In order not to impede production, a circular issued by the government regarding the *mobilization and utilization of manpower for the front* rearranged the former uniform mobilization and recommended

a mobilization according to the abilities of each family, each village, on the basis of the proposals made by people themselves, considering also the state of crops and planting times.

Economic and financial measures (prices, taxes, loans) were also applied to help the intensification of agricultural production: we will see them in the chapter dealing with "Financial and monetary problems."

At last, a "patriotic emulation" campaign was launched to promote production with the slogans: "Intensification of production", "Resistance of the entire people—Total Resistance", "Not an inch of land left fallow", "Everything for the front, everything for victory"... Meetings were held in honour of heroes and fighters in agricultural production. The keen patriotism of the peasants who throughout many centuries have risen up to drive out invaders from the north was again put to test; developed to a higher degree of political understanding, it served as a driving force to increase production.

2. Protection of production.

Apart from military operations to try to wipe out the revolutionary armed forces, the enemy also tried out a "rice war" to starve the liberated areas by occupying for a start all the river deltas which supplied almost all the rice production, by "killing all, destroying all, burning all."

The French troops bombarded the dykes in the provinces of Thai Binh, Ha Dong and Bac Ninh: they destroyed virtually all the twelve big water-works: Thac Huong, and the irrigation system of the Cau river; Bai Thuong, Phong Lac, Ban Thac and the hydraulic system on the Chu river; Do

Luong and the hydraulic system on the Ca river..., exposing 205,000 hectares of two-crop ricefields to drought.

In the region under his control, the enemy launched successive terrorist and mopping-up operations, burning whole villages, killing 100,000 draught animals, napalming crops. The setting up of "white zones", "white belts" and "military corridors" on hundreds of kilometres along the trunk lines and main waterways, was in fact an attempt to isolate the free zones, to cut all communications with them and the food supply to the resistance forces: on both sides of these "no man's lands" all the villages were razed to the ground, the inhabitants were penned up in concentration camps, 140,000 hectares of fertile land lay fallow. In the liberated zones, enemy aircraft strafed the peasants and their draught animals working in the field, and dropped napalm on the ripening ricefields.

The safeguarding of production was a daily struggle, chiefly in the rear. Clinging to their villages, the peasant guerillas continued to farm their land, at the same time causing heavy losses to the enemy by cutting communications lines, attacking convoys and arms depots. Underground stores were dug to hide food and even draught animals during sweeps; "fighting villages" were built and each village or hamlet was turned into a fortress: when the enemy arrives, all the villagers took up arms to defend themselves; when he withdrew, they went back to their fields. When the enemy operated in the day, they worked at night and together transplanted rice seedlings, harvested the crop or pulled the ploughs in place of buffaloes.

Political activities were carried out with women, children and old people in the front ranks to prevent the enemy from destroying irrigation works and

dykes, or to compel him to pay compensations. The most persevering struggle was waged by the inhabitants of Thai Binh province from 1952 to 1954 for the repair of the Tra Linh water-works and an irrigation canal 25 km long, for the watering of 60,000 hectares of ricefields.

Despite more and more murderous "pacification" operations, heavy human and material losses and the burning of thousands of villages, production was maintained behind the lines as well as in enemy-held areas. From 1949 and chiefly from April 1953, it was increased with the promotion by the government of concrete agrarian measures in favour of the peasants.

3. Agricultural return.

"To increase production, guarantee self-sufficiency and meet the needs of the resistance war and the population" were the tasks successfully achieved during the nine years of the struggle for national liberation (1945-1954) despite the difficulties which were apparently insuperable. This was a tremendous achievement for a backward agriculture, constantly exposed to natural calamities and heavily devastated by the enemy.

There was no famine suffered all through the years of resistance; chronic dearth and food shortage periods were very rare.

The regions which formerly were short of rice for six months per year now succeeded not only in feeding for themselves in food but in catering for the front as well.

In the 5th Interzone where rice came chiefly from Nam Bo, from 1950 onward production was enough

to feed its 2.5 million people and to send supplies to the armed forces as well.

In such region in Bac Bo as Viet Bac and the 3rd and 4th Interzones, in 1950, 690,000 hectares were planted with 5th-lunar-month rice which yielded 941,000 tons. Particularly in the five provinces of Viet Bac (Yen Bai, Bac Can, Tuyen Quang, Phu Tho and Thai Nguyen) where that rice variety could not be grown owing to lack of water, in 1953 it was planted on 15,288 hectares more than in 1950, increasing its production by 110%.

Here are some examples:

Year	Planting areas (hectares)	Yield ton/ha	Production (tons)
10th-lunar-month crop in Thanh Hoa province (4th interzone, Trung Bo)			
1944	150,000	1	150,000
1948	140,000	1.35	189,000
1952	142,000	1.4	199,000
10th-lunar-month crop in Phu Tho province (mid-lands of Bac Bo)			
1944	22,800	0.96	21,800
1948	32,600	1.60	52,100
1952	34,500	1.50	51,800
5th-lunar-month crop in the frontier provinces (Viet Bac in Bac Bo)			
1944	18,000	0.94	17,700
1948	22,600	1.16	26,200
1952	35,700	1.38	49,300

On the whole, in Bac Bo and northern Trung Bo the following rice yields were obtained:

1942	2,451,800 tons
1947	2,443,400 —
1953	2,757,700 —

With regard to other crops, these same areas yielded in 1953 650,850 tons against 280,000 tons in 1945, or an increase of 134.4%. Especially, cassava root, one of the staple foods after rice, was needed to feed the people in the hard period of the first years of the Resistance; its acreage increased rapidly: 20,460 hectares per year since 1950, in Viet Bac, or a 110% increase over the period from 1947-1949.

The "self-sufficiency in cotton goods" requires the development of cotton growing: the 5th interzone made the greatest efforts to secure a yearly output of 2000 tons of ginned cotton, sufficient to supply to each of the 2.5 million inhabitants of the region 1.5 — 2 metres of cotton cloth per year.

But the most striking result in agriculture was the initial transformation obtained by the abolition of feudal relations of production by the working out of a new form of organization — the mutual-aid teams — which played an important role in the setting up of future agricultural cooperatives.

Summing up, on the basis of an agrarian economy of subsistence but reorganized and radically transformed in its social and agricultural structures, the Vietnamese people were able, by their own means, in nine years to lead the first resistance war to victory.

MONETARY AND FINANCIAL PROBLEMS

At the time of the August 1945 Revolution the DRVN's financial situation was disastrous. The treasury coffers were almost empty : the public debt amounted to 566,365,000 Indochinese piasters ; the issue of banknotes had run up to 2,333 million in August 1945 as against 216 million in 1939, while the gold reserves had been taken away by the French and Japanese authorities.

To strengthen political independence it was necessary to assure economic independence, one of the main pillars of the State being *independent finances*.

However, owing to circumstances, in Hanoi as in Saigon, the revolutionary power had been unable to seize the Bank of Indochina which held the monopoly over the mint. That was :

“one of the weak points of the Vietnamese revolution”

(Truong Chinh — *The August Revolution*, Vietnamese edition, Su That Publishing House, 6th edition Hanoi, 1960, pages 34 — 35).

Thus, the mint and the power to issue *banknotes* were still in the enemy's hands¹ creating considerable financial difficulties for the young Republic.

1. In spite of that, the Bank of Indochina had to honour the orders of payment issued by the Vietnamese authorities.

Moreover, the finances were also disorganised by other acts of piracy: *on the one hand*, the introduction by the Chiang Kai-shek occupation troops of their own currency, the worthless *quan kim* and *quoc te*, in order to literally ransack the country; *on the other hand*, the volte-face of the French colonialists who began the reconquest of the South with the complicity of the British, and ceased all payments to the Vietnamese Treasury under the pretext of "restoring" the finances of Indochina¹.

A fierce struggle had to be waged against these acts of brigandage, spoliation and sabotage.

After many vicissitudes, the threat of disorganisation provoked by the Chiang Kai-shek currencies could be said to have been overcome with the withdrawal of the Chinese troops. As for the Indochinese piaster, it remained along with the French Expeditionary Corps and caused many difficulties to the people's power.

Therefore it was absolutely necessary for the DRVN to have its own currency in order to safeguard its independence, put an end to the monopolistic power of the Bank of Indochina, and struggle against the Indochinese piaster.

1. The First issue of the Vietnamese "dong".

After rapid preparations, late in 1945, among which was the issuing by the Finance ministry of two small coins of 0.2 *dong* and 0.5 *dong* with a view to making good the shortage of small change

1. One trick was to annul the 500-piaster notes issued between March 9 and September 23, 1945 by the Japanese, and to exact the exchange of the 500-piaster notes issued before March 9, 1945, with a 30 percent deduction and to be performed within the week beginning November 19, 1945.

and at the same time to acquaint the population with the first independent national currency, on January 31, 1946, the government announced the issue of the first Vietnamese notes. The first region chosen for the launching of this currency was the southern part of Central Viet Nam then free of foreign troops. In August 1946, the same notes were issued north of the 16th parallel. Then, on November 31, 1946, the National Assembly decided, in its second session (first legislature) to issue the same notes throughout the country.

Starting from May 1947, small banknotes were issued of 1 *dong*, 10 *dong*, 20 *dong*, 50 *dong* and 100 *dong*, then 200 *dong* and 500 *dong*. Issued by the Finance ministry, they were called "Finance *dong*" but for the population they were simply "Uncle Ho's notes".

Since then the circulation of those notes was legally sanctioned.

At that time, the DRVN had no gold reserve nor any foreign currency; it had not been recognised by any State and had no commercial relations with any foreign country; to the great surprise of Washington agents its government categorically turned down all US offer of financial aid. Apparently, there was no guarantee for that money issue. However, the *dong* was in its own right a strong currency for it enjoyed the absolute confidence of the population who patriotically hailed that issue as a symbol of the country's independence. This gave the *dong* its solid base without which it could not have survived as a currency since its economic base was only a rural economy of subsistence which had to be developed by the people's own efforts to meet the Resistance war needs.

At first, the *dong* was used along with the remains of the Indochinese piaster: the latter was exchanged at par, or even at the ratio 1.2/1 against the *dong*.

Step by step, the piaster was driven toward the zones still occupied by the French troops where it was legal tender. The Vietnamese authorities used this currency, obtained through exchange, for the commercial exchanges with the occupied zones all through the Resistance war.

The issue of the *dong* was a blow to the economic strategy of the French. At the Dalat Conference convened on April 17, 1946, and at the Fontainebleau Conference in September, the French were adamant on the monetary question. Despite the Preliminary Convention signed on March 6, 1946 between the French Government and the Vietnamese Government recognising Viet Nam "as a Free State with its own government, army, finances...", they demanded the monopoly of issuing banknotes, the subordination of the federal piaster to the franc-zone, the organisation of a Federal Office of Exchange and a Treasury of Indochina, besides the Federal Mint.

However, as far back as April 5, 1946, to prevent the French from carrying on their acts of sabotage and reprisal, the Vietnamese Government, putting into operation the financial stipulation of the March 6 Preliminary Convention had decreed that:

"the banknotes issued after March 6, 1946, cannot be put into circulation in Vietnamese territory without the authorization of the Vietnamese government; any banknotes issued in contempt of Vietnamese law will be confiscated."

It had acted in time.

Moreover, at the same period, the Bank of Indochina issued three new notes, among which two 100-piaster notes and one 50-piaster note: by a series of decrees, the Finance minister barred these from Vietnamese territory.

The *dong* developed strength with the progress of the national Resistance.

In 1948, after the *Viet Bac Victory* of the People's Army, the Resistance shifted to a *phase of balance of forces*. The conditions for ending the power of the piaster having been met, the government decreed in April that year the nullification of all bank-notes issued by the Bank of Indochina, except for the *one-piastre* notes, which ceased to be legal tender later in 1950. In a short time, the *dong* entirely took the place of the piaster which had been supreme for almost a century, and this was achieved in the extremely difficult conditions of a war at first unfavourable for the Vietnamese Resistance.

Ever since the first issues of the *dong*, due to the difficulties of communication between the various regions of the country, the economic conditions of each region and the characteristics of a guerilla war, there emerged three distinct monetary zones :

— In the free zone of Bac Bo and northern Trung Bo (especially Viet Bac, the Bac Bo delta, the provinces of Thanh Hoa, Nghe An, Ha Tinh and Quang Binh with 10 million inhabitants), the “Finance *dong*” was put into circulation.

— In the Fifth Interzone (chiefly in the four southern provinces of Trung Bo: Quang Nam, Quang Ngai, Binh Dinh and Phu Yen with 3 million inhabitants), the *dong* issued in February 1946 was current. A short time later, the government authorized the Resistance Committee of southern Trung Bo to issue Resistance bonds which were put into circulation along with the *dong*; in 1952, the latter was withdrawn and only the Resistance bonds were legal tender until the end of the Resistance;

— In Nam Bo, due to the progress of the French reconquest, large use was made of the Indochinese piasters, but marked with the stamp of the Nam Bo Resistance Committee.

The result of this situation was that the monetary circulation in each zone, determined by the specific conditions of its economy, market and prices — and in accordance with the amount of exchange existing between the various sectors of a zone — enabled us to meet the local needs. Moreover, the existence of various monetary zones prevented the enemy from exploiting the differences in prices between the various regions; (for example by using the money of the region with high prices for transactions in the region with low prices) so as to disorganize the market and undermine the *dong*.

The field of operation of the *dong* extended with the development of the war. Following the military successes of the Resistance, it reached first the guerilla zones then the enemy-occupied ones.

Despite its limited economic base and the barbarous repression in the occupied regions against those who kept in reserve or put into circulation "Uncle Ho's notes", the *dong*, was always preserved by the population like a "certificate of loyalty and fidelity to the Resistance."

Thanks to the *dong*, the State was able to mobilise the country's resources to meet the war needs, especially those of the army. However, this currency, so indispensable, but governed by extra-economic factors and mainly determined by the State's expenditures, inevitably led to a serious inflation, worse in some regions than in others.

Currency indexes
(1946=100)

1948	1949	1950
171	752	1,914

That brought about rocketing prices, chiefly that of rice: in 1950, the price of rice went up 27 times as compared with 1947; in Bac Bo, it rose to 800-1,500 *dong* a kilogram by the end of 1950 as

against 100-200 *dong* at the beginning of the year; in the Fourth and Fifth Interzones, the increase was 400 percent for the same period.

That economic and financial instability was due to various factors.

The State did not have at its disposal the necessary means, in this case a trading service, due to a lack of experience and a weak economic potential, to build up stocks of food and other necessities for the supply of the population and the stabilization of the market: the collection of paddy and various taxes in kind hardly yielded 60,000 tons in 1950, or only one-third of the needs.

Besides, receipts were neglected in the financial management: the mobilisation of the country's resources was directed more at the have-nots—poor and wage-earning peasants in particular—than at the propertied classes (upper middle peasants, rich peasants and landlords) whose contributions were optional and not statutory; the outlays much exceeded the receipts, the more so as the budget was not calculated on a national basis. Regional budgetary autonomy was cumbersome and causing unjustified expenditures. The management of available cash was not as efficient as it should have been.

As a result of those financial shortcomings, the State accumulation showed a constant deficit. Moreover, the country's economy suffered great damage because the enemy played havoc with our agricultural production.

The financial situation worsened, especially after 1949. The French occupation of the Red River delta and Hoa Binh, the intensification of the raids by the enemy throughout the occupied regions restricted the circulation of the *dong* which was driven back to the Resistance centres in Viet Bac, the Fifth Interzone and western Nam Bo, where it suffered a bad devaluation owing to the imbalance of exchange

between the liberated and occupied zones to the advantage of the latter. The difficulties were increased by the faked notes introduced by the enemy to disorganize the country's economy.

The Resistance at this time faced great economic and financial difficulties just when its financial needs were increasing, especially after the victory of the campaign along the Sino-Vietnamese border toward the end of 1950 and following the launching of military campaigns in 1951 and 1952.

The contributions by the population were inadequate and the uncontrolled issue of the *dong* was not advisable.

Hence the need for revised economic and financial measures.

In the face of these requirements, finance was always the most essential economic link that had to be immediately grasped, among the three important matters to be regulated: *finances, banking and commerce*. These were closely linked to one another and contained the solutions to the economic and financial difficulties.

The new financial policy aimed at the stabilisation of the currency, i.e. to regulate the circulation and the purchasing power of the *dong* in order to steady the cost of living while waging a fierce struggle against the Indochinese piaster. It was also necessary to broaden exchanges between the liberated and occupied zones to the advantage of the former, to take action against the introduction of faked notes by the enemy, and extend the circulation of the *dong*.

It was thus necessary to replace the predominance of a *Treasury currency*, whose task had been fulfilled, by that of a *credit currency*. The new currency had to be not only a source of improved finances for the State but also a lever to intensify production and to develop the economy, as a firm support for the Resistance.

With the opening of the Sino-Vietnamese border and the liberation of vast regions, the situation was favourable for the restoration of good economic conditions (to stop inflation, stabilise prices etc.) and for the general improvement of economic life. The agrarian measures put into effect by the government in July 1949 facilitated this task.

The creation of a new monetary and financial system was more than ever indispensable.

2. The establishment of the National Bank and the issue of banknotes

On May 6, 1951 the Viet Nam National Bank was set up with two main tasks before it.

- to issue banknotes and administer the State Treasury, working out a credit system in order to intensify production ;

- to coordinate its activities with the State and Commerce to manage the monetary circulation and intensify the struggle against the Indochinese piaster.

In the decree of May 12, 1951, the government ordered the issue of the first banknotes to replace the old *dong* issued by the Finance ministry ; the rate was one *new note* for 10 *old ones*. This was the first *monetary reform* of the DRVN carried out during the course of the war.

At first, the "Bank *dong*" and the "Finance *dong*" were circulating at the same time. Thanks to an active effort to explain the policy to the population, these two *notes* both remained legal tender and their ratio 1/10 was maintained. The withdrawal of the "Finance *dong*" especially north of the 16th parallel was completed in the liberated zones by the end of 1952 and in certain guerilla regions by 1953.

The issue of the new currency, however, did not improve the financial situation. The monetary stabilisation needed an increase in production, especially in agriculture, the realisation of savings, budgetary balance through an increase in income, mainly through agricultural tax, and the balance between currency and goods in circulation. But, the state of war, and the different conditions in liberated, occupied and guerilla zones, made the circulation and sale of products almost impossible, especially the primary necessities of life.

The solution thus lay in an improvement of the circulation of goods the key problem of that time.

The *State Trading Service* set up in August 1951 performed that task in close coordination with the National Bank through the issue of banknotes: As a change from previous policy, the Bank now issued less notes for the budget than for the commercial authority which collected agricultural, forest, and handicraft products, and sold these goods to recover the banknotes put into circulation.

A new credit policy was adopted

Before the establishment of the National Bank, the loans granted by the *Office of Credits for Production* had been very restricted, amounting to 300 million "Finance dong" (i. e. 13.5 million "Bank dong", calculated on the basis of the paddy prices at that time) for the whole period 1947-1951, because nearly all the issues were devoted to war needs. But a great part of those credits went to landlords, village notables and rich peasants, while most of the poor, wage-earning and lower middle peasants who were direct producers, had been left out, which made those loans stagnant and ineffective. Moreover, *credits for commerce* had been neglected.

From now on, instead of "credits for production", the National Bank chiefly granted loans for commerce: from July 1951 to July 1954, the total amount of credits allotted to that sector reached about 60

million "Bank dong" against 10 million for agriculture. Of those 60 million, 81 percent went to the State commercial authority, the remainder (19 percent) to private commerce, mainly to small and medium traders who made up a complementary commercial network.

The bank credits to various economic sectors grew year by year: 1951 = 100; 1952 = 119.6; 1953 = 121.6; 1954: 123.8. The breakdown was: commerce: 93%; agriculture: 2.6%; fishing: 0.3%; handicrafts and small industry: 3.1%; transport: 1%.

The monetary issues for the State expenditures decreased as follows:

	<u>1951</u>	<u>1952</u>	<u>1953</u>	<u>1954</u>
Amount of issues, of which	100	100	100	100
— State expenditures	99.4	69.4	10.8	43.6
— Credits	0.6	30.6	89.2	56.4

The interests of the loans varied according to each economic sector, to the advantage of the national and cooperative sectors:

— Agriculture:		
+ Individual peasants	6%	per year
+ Mutual-aid teams	3	— id —
— Handicrafts and small industry:		
+ Handicraftsmen and small industries	9	— id —
+ Handicraft cooperatives and national enterprises	6	— id —
— Commerce:		
+ Traders	12	— id —
+ State Commerce	6	— id —

The reason for those indirect investments "through commerce to intensify agricultural production" was found not only in the disparate cha-

racter of the national market, but also in the self-sufficient character of the economy, the existing land regime and the stagnation of commercial production. They brought into order the circulation of goods by guiding them from one region to another, from the liberated zone to the occupied zone and vice versa. During the pre-harvest periods in which there was a shortage of agricultural products and an abundance of cash on the market, the State Commerce sold its goods to recover the currency put into circulation. But during the harvests, the National Bank supplied Commerce with credits to pay for the foodstuffs for storage. When the State had large outlays, the State Commerce sold the goods to recover the money; alternatively supplied the administrative services and the army, which then paid through bank transfers, in order to restrict the expenditure of cash.

The regulation of the circulation of money and goods was made possible by the institution of an *agricultural tax in kind* (the only one collected) which was the main source of budgetary revenue: by the promulgation, since July 1949 and especially since April 1953, of agrarian measures in favour of the toiling peasants which boosted agricultural production; by the substantial aid in goods from and exchanges of goods with the socialist countries following the opening of the Sino-Vietnamese border in 1951: The State now had at its disposal important stocks of goods and manufactured products with which to meet the Resistance's needs and improve the monetary situation. Besides, the patriotism of the population and the devotion of the militants had contributed much to the realisation of this task: on the markets, in the enemy-occupied regions, the revolutionary militants at the risk of their lives persuaded the population to exchange their goods and Indochinese piasters for *dong*.

Unlike the period 1947-1950 during which the Office of Supply had catered only for the army and the administrative services, the State Commerce now went in for "buying" and "selling", thus fulfilling the role of a commercial service :

*Value of collections
of agricultural, forest and handicraft products
(In million "Bank dong")*

1951	388
1952	4,671
1953	5,958
1954	8,951

*Volume of primary necessities
supplied by State Commerce to the zones
north of the 17th parallel*

	1951	1952	1953	1954
Rice (tons)	724	21,685	32,323	55,173
Salt (tons)	332	3,655	6,348	10,946
Cotton fabrics (1,000 metres)	1,521	3,563	4,821	7,430

The developed State Commerce brought its great contribution to State accumulation :

*Indices of State Commerce proceeds
allotted to the budget*

1951	100
1952	640
1953	1,220
1954	2,016

The credits granted by the National Bank helped develop private commerce which still accounted for 80 percent of the sale of goods during 1953 and

1954. It was those small and medium traders who ensured for the State Commerce the collection of agricultural, forest and handicraft products, the exchanges between the liberated and occupied zones, and the supply to the Viet Bac mountainous regions of salt from the coastal provinces of the Fourth Interzone (Quang Binh, Ha Tinh). A precious complement to the State Commerce, private commerce greatly contributed to the regularisation and stabilisation of the market, to the supply of the Resistance and to the population. The value of goods provided by that sector increased by 1,280 % in 1952 and 2,370% in 1953 as compared with 1951:

(in million "Bank dong")

	1953	1954
Industrial products	16,920	44,134
Agricultural products	9,925	50,528
Forest products	2,190	8,614
Total	29,035	103,266

Since 1952, through the regularisation and the stabilisation of the circulation of money and goods, the economic situation began to improve; agriculture and handicrafts developed; the living standard of the population, especially the toiling peasants, was raised.

The *dong* was stabilised and its purchasing power consolidated step by step, thus helping to stabilise prices and regularise them between the various regions, especially for the primary necessities of life: in 1953, the price of rice decreased by 25-30% as against 1952; that of salt by 30-40%; that of cotton fabrics by 30%; in 1954, one metre of calico cost 4.7 kg of rice instead of 19 kg in 1948; one litre of kerosene equalled 4.3 kg of rice instead of 17.5kg, one quire of writing paper 1.4 kg of rice instead of 6 kg.

The economic and financial rehabilitation enabled the *dong* to wage a fierce struggle against the Indochinese *piaster* on two fronts:

1) *In area of action*: Parallel with the successes of the People's Army, especially after the victory on the Sino-Vietnamese border, the *dong* extended its area of circulation, reached the guerilla zones and bases. In 1953, during the devaluation of the Indochinese *piaster* and the launching of the Winter 1953-Spring 1954 Campaign, it carried the day and entered the occupied zones. The *Indochinese piaster* gradually lost ground in the regions which it had entered in 1950-1951 and was finally driven back into the towns. By the beginning of 1954, the *dong* ruled throughout the liberated territories.

2) On the *rate of exchange*. The aim was to swing that rate to the advantage of the *dong* through the combination of various actions:

— restriction of imports to those primary necessities of life which could not be produced in the free zones;

— setting up of reserves of Indochinese *piasters* (used as foreign currency for imports only) accrued from the exports, war booty, contributions by the population of the occupied zones and currency gathered by the exporters and importers.

— strengthening of exchange control in order to concentrate the sources of currency in the State's hands;

— draining of the *piaster* with different purchasing powers from one region to another in order to lower its rate of exchange.

In the course of that difficult struggle against the Indochinese *piaster*, step by step the *dong* was consolidated and its rate positively changed with regard to the *piaster*:

ZONES	1951	1952	1953	1954
	<i>Indochinese piaster with regard to "Finance dong"</i>	<i>Indochinese piaster with regard to a "Bank dong"</i>		
Zone A (Bac Ninh, Bac Giang)	70 — 400	50 — 95	100 — 30	42 — 30
Zone B (Vinh Phuc, Phu Tho, Quang Yen)	90 — 380	42 — 85	95 — 46	46 — 25
Zone C (Ha Nam, Nam Dinh, Ninh Binh)	140 — 320	32 — 70	65 — 32	32 — 22
Zone D (Thai Binh, Hai Duong, Kien An, Hung Yen)	140 — 300	32 — 68	70 — 32	32 — 30
Zone E (Binh Thi Tihen)	70 — 250	33 — 100	100 — 45	45 — 35
<i>One Indochinese piaster with regard to the "Fiduciary bond"</i>				
Fifth Interzone	75 — 100	120 — 300	250 — 150	120 — 150
<i>One Indochinese piaster with regard to "Southern dong"</i>				
South Viet Nam	5	20	30 — 40	45 — 36

After the Dien Bien Phu victory and the Geneva Agreements of July 20, 1954 restoring peace, the *Indochinese piaster* was confined to the South, following the French Expeditionary Corps, finally to disappear from the Indochinese stage two years later, leaving the North, entirely liberated, to the *dong*. From now on the victor, the *dong* was to accomplish a new historical mission in socialist building and resistance against US aggression in the DRVN, after having fulfilled the tasks of the Resistance against French aggression.

3. Financial reforms

During the first years, the expenditures of the Resistance, especially for the army's needs, continued to go up, but it varied from one region to another and was diversified, while the receipts dwindled owing to the "tendency to suppress all taxes and all material contributions by the population".

The imbrication of the liberated, guerilla and occupied zones, and the isolation of each by the enemy blockade, rendered impossible financial centralisation. *

"Let each region satisfy all its own needs" by *relying on the population*: such then was the policy of *financial decentralisation*, taking voluntary contributions as the main financial sources.

The question was to mobilise the popular masses for that movement by rousing their revolutionary and patriotic ardour while improving their living standard. The cadres and fighters of the army, the cadres of administrative services and mass organizations shared the daily life of the local population by taking part in the defence of villages, agricultural production and the development of the people's education.

Carrying on the traditions of the first days of the August 1945 Revolution, — "Gold Week", "Independence Funds", "National Defence Funds" — from North to South the population had set up popular "Funds" to ensure nearly all the military, economic and cultural expenditures of each region: "Rice jars for the Resistance", "Funds for the upkeep of the fighters", "Funds to support the war wounded", "Funds for the training of guerillas and people's militiamen", "Funds for the people's education", "Funds for the aid to town evacuees", etc. and also the Funds to repair roads and dikes and build "combat villages"...

The voluntary contributions from the masses of people extended to other campaigns, for example "The fighters' winter", "Care for the wounded", "Support for the fighters' festivals", etc.

In Nam Bo, during the difficult moments the upkeep of fighters and cadres was fully ensured by the population.

In some occupied regions, whole units were fed by the population.

Those *voluntary contributions* by the population, especially the *poor peasants* greatly relieved the State budget during the first Resistance years.

The war needs grew and centralised with the development of the military situation. The financial policy which "relied on the masses" was no longer justified. Its pursuance would be harmful to the intensification of agricultural production and favour the rich to the detriment of the poor, and thus impoverish the toiling peasants.

After the abolition of the iniquitous capitation tax, and the monopolies of salt, tobacco, alcohol and opium, other taxes and duties had been suppressed: taxes on income, dwellings, public festivities, transports.

The remaining taxes (taxes on land, licences, slaughtering and registration, custom duties) collected in cash, only covered a small part of the State expenditures, although they had been readjusted every year because of rising prices.

Since 1949, the political and military situation had changed to the advantage of the Resistance and created favourable conditions for the development of a new financial policy.

It was time to replace the *regime of voluntary contributions* by a regime of *statutory contributions*, in which everybody, whatever his social position, had to pay his share.

In 1949 there was established the "Funds for the Resistance" and in 1950 the "Public funds for food", two taxes which were *compulsory for everybody*. The rate was fixed at 60 "Finance dong" for the former and 10 kilograms of paddy for the latter, tantamount to the upkeep of a fighter for 10 days or of 10 fighters for one day. By paying those taxes, "the entire people take part in the burden of the Resistance".

In addition, in 1948 there were issued the "Bonds of the Resistance" and in 1950 the "Bonds of national loan" which yielded little benefit due to the instability of the currency.

To regulate supplies between the various regions, the land tax, so far collected in cash had undergone slight modifications: each *mau* (3,600 sq. m) had to pay an *instalment in kind* to the state: 9 kilograms of paddy in the Viet Bac Interzone, 18 kilograms in the Third Interzone, and 27 kilograms in the Fourth Interzone.

However, that could only cover the State *ordinary* outlays (administrative, economic, cultural, and social), while the more important expenditures on

national defence, making up two-thirds of the budget, had to be met by inordinate issues of "Finance dong".

The measures worked out in 1949 were not radical solutions for the financial difficulties, the issuing of *dong* remaining the main palliative.

Expenditures covered by budget receipts
(National defence included)

1946	28%
1947	27—
1948	20—
1949	18—
1950	23—

The vital problem for the Resistance, that of supplies, was always acute despite the measures taken by the authorities (suppression of special authorizations and transit tax) to facilitate the directing of supplies (paddy, rice, maize, sweet potatoes) from the occupied regions to the liberated ones. Not having at its disposal any stock to satisfy its growing needs, the State had to get its supplies on the free market, swayed by the speculations of landlords, rich peasants and shady traders. The more so as those growing purchases were concentrated during certain periods of the year and in certain regions. That abnormal situation brought about rocketing prices of paddy, which necessarily affected the prices of other primary necessities, such as cotton fabrics, kerosene, soap, salt, fish sauce, paper...; the budgetary imbalance which led to inordinate issuing of currency, devalorisation and instability of the "Finance dong" and the deterioration of the people's standard of living.

The economic, financial and monetary difficulties reached their climax in 1950. The Resistance could

not progress if drastic and comprehensive measures were not brought to bear on the economic and financial problems.

The new political and military situation at the beginning of 1951 required a new political, economic and financial policy the crux of which lay in new *financial reforms*.

To realise them, there were favourable conditions such as the accomplishment of the agrarian reforms in July 1951 in favour of the toiling peasants.

As the Party had pointed out in the first plenum of the Central Committee held in March 1951, "the unification of finances, that of the management of receipts and expenditures which required the increase of the former and the reduction of the latter so as to eventually reach a budgetary balance" constituted the main content of the financial policy.

To increase receipts, a new *unified fiscal regime* with seven chapters was promulgated in 1951:

- agricultural tax;
- tax on industry and commerce;
- customs duties;
- duties on goods;
- tax on slaughtering;
- tax on registration;
- fiscal stamps.

Other arrangements were also taken to prevent abuses: strict prohibition imposed on the local authorities to institute any tax in addition to those mentioned above, and to increase or reduce the rate or the scale of taxes, this being permitted only to the government; absolute prohibition of all compulsory local fund-raising of any form, except for voluntary contributions for the "Funds of rural mutual aid" and "Funds for relief in cases of natural calamities or war accidents."

The decree of May 1st, 1951, abolished all existing agricultural taxes and instituted the *agricultural tax in kind*, the only one to be collected.

Unlike the old land tax collected in cash on the ownership of land, the new agricultural tax was *proportionate to the income of each farm*, whether it was owned by a farmer or a landlord, and was *calculated proportionately to the income of each mouth to feed on that farm*. If the average yearly income of a mouth to feed did not exceed 60 kilograms of paddy, the entire farm would be exempted. However, a clear distinction was made between the various incomes: for the farmers, the taxable incomes were reduced by 25 percent, while those of landlords living on land rent were increased by 25 percent.

The agricultural tax in kind was *progressive* with a *minimum rate of 6 percent*, and a *maximum rate of 45 percent*, according to the scale of the yearly income and not of the real income of the taxpayer. It was also *regressive* as one went from the liberated zone to the guerilla one, from the guerilla zone to the occupied one, and from the delta to the mountain region.

In case of crop losses due to natural calamities, reductions would be granted to working peasants.

In the first year, that tax gave positive results: the total amount collected in 1951 exceeded that yielded by the old land tax by 50 percent. For the period 1951-1954, it brought to the state 1,575,000 tons of paddy from the Fifth Interzone to the Viet Bac. The State Commerce now had at its disposal important stocks to meet the needs of the army and the administrative services, and in addition, those of the market in case of necessity to stabilise prices.

In the occupied zones and the guerilla zones, it was collected in *Indochinese piasters*, thus enabling

the State to constitute important reserves of that currency.

Economically this was a great stimulus to agriculture: the peasants worked hard at reclaiming new lands, returning to cultivation the lands abandoned by landlords and rich peasants, and building hydraulic works in order to increase production.

From now on, rich or poor, landlord or farmer, everybody had to discharge his duty toward the resistance according to his income. However, as the tax for the big landlords and tyrants was 50 percent of their income, a grim struggle had to be waged against frauds, and reactionaries' and traitors' acts of sabotage and counter revolutionary activities.

The agricultural tax in kind was the main budgetary source; the amount collected constantly increased:

1951	100
1952	148
1953	153
1954	167

Among the other taxes and duties the most important was the *tax on industry and commerce*: to help develop industry and commerce, its average rate was set at 15 percent a smaller rate than that of the agricultural tax.

*Growth of the tax on industry
and commerce*

1952	100
1953	223
1954	360

On the whole, the seven taxes and duties promulgated in 1951 constituted the main sources of budgetary revenue or a yearly average of 83.4 percent for the period 1951-1954.

*Part of taxes and duties
in the budgetary receipts (°/o)*

	1951	1952	1953	1954
<i>Total receipts</i>	100	100	100	100
Agricultural tax	86.2	77	71.2	54.7
Tax on commerce and industry	2.5	6.6	10.5	12.6
Customs	1.3	2.9	2.5	5.6
Other receipts	10	9.5	5.8	11.8
Surplus of the previous financial year	—	4.	10	15.3

Budgetary balance involved, according to the motto "All for the Resistance, all for the Front", a reduction of expenditure by carrying out drastic savings, especially by *reducing the administrative staff* at all levels in order to relieve the administrative services of the abundance of "staff who had abandoned their production work to serve the Revolution" and to strengthen the army's personnel. The budgetary outlays for administration shifted from 27.8 percent of total expenditures in 1951 to 17.8 percent in 1952 and 16.8 percent in 1953.

But it was not smooth sailing. A struggle had to be waged against such tendencies as "to rely on the socialist countries' help", "to issue banknotes to cover expenditures", against regionalism and insufficient attention to the national interest. Through performing those new and difficult tasks, the cadres gradually improved their ability in economic and financial management.

Step by step, budgetary receipts increased :

1951	100
1952	311
1953	520
1954	536

In 1952, they covered only 78 percent of expenditure, in 1953—the first time since the August 1945 Revolution—they exceeded the outlay by 16 percent (not mentioning the southern provinces of the Center and the South which had their own budgets): this was the direct consequences of the “campaign for the reduction of land rent and usurious interests” in April 1953, and the accomplishment of the drastic agrarian reform at the end of that year.

Budgetary balance was thus achieved, enabling the government to devote itself further to the economic, cultural and social development:

Part of budgetary expenditures allotted to economic, cultural and social activities (%)

	<u>1952</u>	<u>1953</u>	<u>1954</u>
Economy	4.8	7.6	14.2
Cultural and social activities	1.9	2.6	.3.

Lastly, a few words about handicrafts and industry. Guided by the principles: "To provide for all one's needs" and "To rely on one's own forces", handicrafts ensured the production of daily consumer goods for the population (cotton fabrics, writing paper, rush mats, earthenware, salt, fish sauce, sugar and treacle) and farming instruments (plough, harrow, hoe, machete, etc.)

The production of cotton fabrics took pride of place in handicraft activities: for the regions north of the 17th parallel up to the Viet Bac, it amounted to 25 million metres (0.4-metre-wide material for the most part) in 1954, as against 23 million metres in 1950. In the Fifth Interzone, local production catered for all the needs of the population and the army.

Despite difficulties of all kinds (supply of raw materials, shortage of manpower, enemy bombardment), hand work had managed, since 1949, to satisfy most of the needs, mainly rudimentary, in consumer goods.

Industry was marked by the priority given to *arms-factories*, small undertakings at first rudimentary, equipped for the most part with machines from French enterprises, taken to pieces and carried on men's shoulders over hundreds of kilometres, to new bases deep in the Viet Bac forests.

To make up for the lack of raw materials, the workers-soldiers at the risk of their lives, broke through the encirclement by French troops to obtain tools, equipment and scrap iron in the occupied regions. In the Fifth Interzone, they dived into the sea to recover raw materials and machines from

Japanese warships sunk off shore during the 1940-1945 war. In the course of enemy attacks against the free zones, those workers had to fight and defend their factories while shifting thousands of tons of machines to other bases in the depth of the forests. Hence production was not interrupted.

Thousands of innovations and inventions by workers and technicians were made in order to repair and transform used machines, raise the production capacity of small machines, find substitutes for tools and materials one could not get, try to produce by makeshift means what one needed, or replace it by other materials. Lacking coke to make cast-iron, one made it by other methods from coal. Water pipes served to make bazooka tubes; railway tracks to produce arms; while sleepers were used to make ploughs. From pyrite were extracted various chemical products, salpêtre from bat droppings. A wind-mill or water-mill supplied energy in the place of an electric motor.

The extraction of coal, iron and non-ferrous metals was carried out in a small scale by manual methods.

Pharmaceutical products were also manufactured for the army's needs.

From those first industrial units, better and better equipped in the last years of the Resistance, came the grenades, bazookas, mortars, howitzers, etc. which put to rout whole battalions of de Lattre, Salan, Navarre. Moreover, they formed the embryo of State industry.

During the Resistance the first national enterprises of light industry were also built, the best known being the *Hoang Van Thu paper-mill*, from the Dap Cau French paper-mill evacuated to the jungle.

It is in that burgeoning State sector that the Vietnamese working class acquired some experience of industrial and economic management.

The economy of the DRVN underwent far-reaching transformations during the protracted 1945-1954 Resistance war.

In the countryside, the feudal production relations, a hindrance to the development and restructuration of agriculture, were completely abolished; the first form of a new labour organization made its appearance with the *mutual-aid teams*.

In industry and commerce, an important *State sector* was forged during the war years and consolidated step by step, paving the way for later economic and social transformations.

The appearance of the *dong*, an independent currency, on the village markets marked the end of French colonialism and symbolised real economic and political independence. Thus, from a colonial and feudal economy there began to appear the outlines of an independent national economy.

Since the return of peace, the government has been able to transform this economy into a *socialist* one, a basis for the completion of the national, democratic and popular Revolution in the whole of Viet Nam.

September 1975
NGUYEN XUAN LAI

The Second Resistance

(1965 — 1972)

Starting from the year 1955, the DRVN engaged in the reconstruction of its war-ravaged economy.

First, we had to complete the land reform begun in 1953, and bring back the predominantly agricultural economy to the 1939 level: this task of economic rehabilitation covered three years (1955-1957).

Then came the period of socialist transformation, in agriculture (by means of *agricultural cooperation*), and in industry and trade. These transformations of the relations of production were completed in the main during the years 1958-1960, agricultural cooperation being the principal link.

With the first five-year plan (1961-1965) began the construction of the first material and technical bases of socialism.

By the end of 1964, important social, economic and technical modifications had been carried out in the economy of North Viet Nam.

The socialist relations of production with two categories of ownership, the state sector and the cooperative sector, had been established and were being continuously strengthened. They occupied a predominant position in the national economy: 85 per cent of peasant households had joined agricultural cooperatives, and 87 per cent of craftsmen had joined handicraft cooperatives; nearly all private capitalist industrial and trade enterprises, which had become State-private joint enterprises in 1958, were gradually transformed into State enterprises. The part of the State sector was 65% in industry, 79% in transportation and 86% in internal trade. As to external trade, it had been a State monopoly since 1955.

The State made great efforts to build up the economy, reserving for it 55.7% of the budgetary expenses.

250 large economic and cultural establishments were set up, half of which were industrial enterprises.

During the decade 1955-1964, the total value of agricultural and industrial (including handicraft) production increased by 275%, 815% for industry and 163% for agriculture.

In industry, many good results were obtained: the production of electric power increased 12 times, of coal 7 times, of mechanical constructions, 2.2. times, of timber, 4 times, of cement, 70 times, of paper, 25 times, of sugar 17 times.

In agriculture, the production of foodstuffs (calculated on the basis of paddy) increased by 150%, the number of pigs, by 200%.

Structural changes were also effected in the economy: the part of industry (including handicrafts) in the total value of industrial and agricultural production rose from 17% in 1955 to 44.1% in 1964. In the value of industrial production (including handicrafts), the part of group A (means of production) rose from 26% in 1955 to 40%. In the total value of agricultural production, the value of animal husbandry rose from 12% to 19%, that of industrial crops, from 1.6% to 4%.

With our own efforts, and with aid from socialist countries especially in equipment, machines and raw materials, the national economy was "taking off". It was now capable of supplying a portion of the equipment and raw materials needed, and 80% of consumer goods. With the development of irrigation and drainage works and intensive husbandry, agriculture could basically satisfy the needs of the population in staple foods. The networks of roads, waterways and railways were rebuilt, expanded and improved, thus increasing the transport capabilities. The labour

force began to be rationally distributed among various economic sectors, between the delta, the middle region and the mountainous regions.

In ten years, despite many difficulties, the economy of the DRVN, although still not strong, had achieved encouraging results. Starting practically from scratch, and having to overcome obstacles which at first had seemed insuperable, it had thus succeeded in creating fairly favourable material and technical conditions for going ahead.

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On August 5, 1964, US planes carried out for the first time so-called reprisal bombing raids over North-Vietnamese territory, against populated centres in the provinces of Quang Binh, Nghe An, Thanh Hoa, Quang Ninh. This was the start of the "air war of destruction" against the DRVN.

The US war was thus extended to the North.

From one parallel to the next, the US "escalation" soon reached the delta and the industrial regions, and was at its peak in 1967, with the bombing of Hanoi and Haiphong.

From March 31, 1968, unable to achieve their objectives, the Americans were forced to "de-escalate", suspending the bombing north of the 19th parallel to continue violent raids against the "panhandle" (Southern provinces).

On October 31st, 1968, the US "escalation" against the DRVN ended, with the unconditional cessation of the bombing.

Immense destructions had been wrought.

From 1969 onward the DRVN had to make great efforts to heal the wounds of war:

	1964	* 1971
— Total value of industrial production (including handicrafts)	100	133.3
— Part of industrial production (including handicrafts) in total agricultural and industrial production (%)	44.15	51.2
production (%)	44.15	51.2
+ Electric power	100	127.6
+ Coal	100	94.5
+ Chemical fertilizers	100	148.0
+ Machine-tools	100	241.5*
+ Cotton goods	100	102.2

In 1972, in an attempt to save the "Vietnamization" of their war of aggression against South Viet Nam, the Americans carried out air "re-escalation" against the DRVN, bombing Hanoi and Haiphong on April 16, on May 8 mining all the sea routes and waterways leading to North Vietnamese ports.

Then the whole of the DRVN territory was again subjected to intensive bombing.

From the 18th to the 29th of December, B.52 super-bombers were unleashed against Hanoi, Haiphong and other important industrial areas.

Failing to "bend the adversary", the Americans were forced to "re-de-escalate", with a view to "resuming the Paris negotiations."

On January 16, 1973, the bombing of the DRVN was ended.

The 1972 "re-escalation" ended with the signing of the Paris Agreement of January 27, 1973, which restored peace in Viet Nam. It had caused as much damage as the escalation of 1965-1968, destroying a large part of what had been rebuilt during the three years 1969-1971 chiefly in the sector of modern in-

* 1970.

dustry which at the end of 1972 had been brought back to the 1964 level.

In 1973, the DRVN began its third economic restoration.

During the two periods of "escalation", the Americans dropped 2,550,000 tons of bombs of all sizes (from 50 kilos to 1,500 kilos) and fired 900,000 shells including 406-mm. shells (1) on a country with an area of 160,000sq.km and a population of 18 million (1965).

Bombed by US planes were :

- all the 6 industrial towns, three of which were razed to the ground (Vinh, Viet Tri, Thai Nguyen);
 - 28 out of 30 provincial towns (12 levelled);
 - 96 out of 116 district towns (51 levelled);
 - 4,000 out of 5,788 communes (300 levelled);
 - 350 hospitals (10 levelled);
 - 1,500 infirmaries;
 - 3,000 schools (from kindergarten to college).
- Among these were 15 colleges and 2,900 general education schools;
- 491 churches and clerical schools;
 - 530 temples, pagodas, historical monuments;
 - 66 out of 70 state farms (10 levelled);
 - 1,600 hydraulic works (dams, canals, irrigation systems etc.);
 - 1,000 dyke sections;
 - 6 railway lines and all major road networks;
 - 100 % of road bridges destroyed;
 - 100 % of sea and river ports;
 - 100 % of power stations severely damaged;
 - all industrial centres, many of which were levelled;

(1) During the whole of World War II, 502,980 tons of bombs were dropped in the Pacific area and 1,583,000 tons in Western Europe.

- 5 million square metres of brick-house floor space destroyed (not to mention hundreds of thousands of thatched houses);

- 40,000 draught animals killed;

- hundreds of thousands of hectares of crops damaged.

How could the DRVN, with a backward agriculture and a fledgling industry, face an air war of destruction on such scale, and oppose the first industrial power in the world, after nine long years of resistance against France?

Although it had had a decade of construction in relative peace (1955-1964), the North Vietnamese economy still had many weaknesses:

- many key industries were non-existent; some were being built; the per capita production of important industrial products was still very low: 32.1 kwh for electricity, 1979 kilos for coal; 32.2 kilos for cement; 5.96 metres for cotton goods; 1.08 kilos for paper.

- agriculture had made great progress, as a result of the agrarian reform and agricultural cooperation which favoured technical renovation, but still had shortcomings and weaknesses: limited cultivable land, monoculture of rice, low work productivity, low yields of crops, lack of equilibrium between crop cultures and animal rearing, frequent natural calamities. With an annual production of 245.4 kilos of paddy per head of population, it still remained predominantly a subsistence economy;

- the means of communications and transport, although improved, were still insufficient, and could scarcely satisfy the growing needs of the economy and national defence;

- the inequality between different provinces and regions was still great, and this affected economic development.

However, solid assets were not lacking :

— the unity of view and objectives between the Party, the government and the people,

— the socialist relations of production and planning of the economy which promoted mobilization and rational utilization of human and material resources,

— the substantial aid of socialist countries which made it possible to remedy economic shortcomings, strengthen production, military potential, economic and defence capability.

The question then was : how to plan the economy so as to adopt it to the concrete conditions of the war ? What economic policy to adopt, in order to meet the growing needs of the front, to resist destruction, to stand firm during the severe ordeals and grow stronger in the course of struggle ?

ECONOMIC POLICY: PRINCIPLES, DIRECTIVES AND ESSENTIAL TASKS

The US air war of destruction against the DRVN was a war of a new type.

Being an integral part of the US war of aggression against South Viet Nam, it depended on the development of the latter, and its objective was to make it possible for the Americans to get out of the South Viet Nam impasse.

It used, not land forces, but naval and, especially, air power, to achieve defined objectives, with a view to contributing to forcing a solution to the war waged by US land forces in South Viet Nam.

Devised from a position of defeat and the defensive entanglement of the US expeditionary force in the South, the escalation against the North, from the beginning, carried within itself elements of failure and defeat from a strategic point of view and revealed fundamental political and military weaknesses.

As a result of its brazen aggression against a socialist country and a sovereign people, US imperialism was politically isolated on the international plane. Its political isolation limited the effects of its military supremacy which itself had inherent limitations, and the more the Americans extended their military actions and intensified the escalation, the more they became politically isolated. So it became impossible for them to make a maximum use of air and naval

forces to launch unexpected, sudden, concentrated raids which could cause catastrophic destructions. They were driven to "escalate" from parallel to parallel, and then "de-escalate" and probe world opinion. Reduced to the defensive, the Americans could not make full use of the operational capabilities of their troops, the tactical and technical capabilities of their up-to-date weapons and technical expertise.

Another inevitable feature of this air war of destruction lay in the fact that, the more the Americans suffered severe defeats in the South the more violently they escalated the air war against the North, the escalation against the North being aimed at extracting the Americans from their impasse in the South. Their defeats on both fronts, North and South, were aggravated by the sending to a new front of forces which had to be moved from the main front in the South.

So escalation was carried out when the Americans were already in a position of defeat, and its intensification only led to more severe setbacks. It could not be continued indefinitely. In fact, US forces, though powerful, also had their limitations, the more so as they had suffered heavy losses on both fronts. As the political objectives of this neo-colonial war which required excessive mobilization of military forces had not been achieved, the Americans finally realized that further prolongation of the war could never be decisive in their favour and that they would sooner or later have to shift the guns to other shoulders or give up. On the basis of this correct analysis of the objectives and of the characteristics of the US air escalation against the North, a political line was worked out for the resistance against US aggression, and concrete measures were taken to deal with escalation in its different stages.

"North Viet Nam is the revolutionary base for the whole country. Its consolidation and strengthening will not only bolster confidence and stimulate the revolutionary zeal of our fellow-countrymen in the South, but also help the revolutionary forces gain ground, and create favourable conditions for a vigorous development of the Vietnamese revolution and for winning final victory"¹.

Already in peace time, the construction of socialism in the North was carried out "for the South and with a view to achieving national reunification".

When the Americans extended their aggression to the whole of Viet Nam, the entire country formed a single front, the North being "the great rear base for all the embattled country".

All activities in the North were aimed at "building and defending the national revolutionary base, assuming all the responsibilities of the rear base to the front."

One problem was demanding urgent solution: *on the one hand*, to defeat the air war of destruction over North Vietnamese territory; *on the other hand* — and this was even more important — to support with all our strength the South Vietnamese people in their struggle against US aggression. For "*the fundamental and decisive question remains: who will win on the battlefields in South Viet Nam?*"²

1. Documents of the 3rd Congress of the Viet Nam Workers' Party, 1960, Su That Pub., Vol. I, page 32, (in Vietnamese).

2. General Vo Nguyen Giap, in the daily *Nhan Dan* (The People) of July 22, 1965.

The whole country being at war — a war of different character and different degrees of intensity in the North and in the South, the urgent political tasks of the North were threefold: *to carry out the patriotic anti-US struggle in the North itself, to unconditionally support the struggle for national liberation in the South, to continue the construction of socialism.*

Besides the anti-US resistance — a sacred duty for the entire people, North and South alike, — the North had also to build socialism, these two tasks being inseparable, because the North constituted the great rear and the South, the great front. Clearly, it would be impossible to defend the North and support the South if the North, the rear base, did not have a strong economic potential.

*
* *

Directives were therefore defined to build the economy along a new line:

— to adapt economic activities to the intensified air escalation and to prepare for the eventuality of a "limited war" against the North;

— to supply the needs of the front, of production and the daily life of the population, in order to defeat the enemy in any circumstances on North Vietnamese territory, while doing the utmost to support the struggle in the South;

— to elaborate a long-term policy of industrialization which would make possible the continuation of the construction of socialism in war time and in conditions of war, and the creation of a material and technical basis for ultimate economic development.

The concrete tasks were:

- to adapt the tasks of the economy as a whole and of each economic sector, to the requirements of the war, .

- to readjust the structure of the economy as a whole and that of each economic sector, in order to adapt them to the conditions of war,

- to modify methods of economic management and of direction of labour in all economic sectors and at all levels (from production to supply and exchange).

With this end in view, it was necessary to:

- ensure effective protection of the economic installations, organize air defence by all possible means ;

- build up and strengthen within the shortest possible time an economic potential indispensable for the war effort, production and the well-being of the population ;

- maintain communications and transport at all cost and in all circumstances, particularly in the strategic zones and in the interests of strategic objectives ; transport must be considered as an essential part of war strategy ;

- concentrate to the utmost all human and material resources to meet the needs of the front and the fighting forces through well-organized and effective mobilization, management and distribution of the labour force, of undertakings and finances, and at the same time, to keep reserves to meet any eventuality (for instance an invasion of the North by US land forces) ;

- continue the consolidation and improvement of socialist relations of production on all planes (ownership, management, distribution) according to

the requirements of the war, and on this basis, to educate, organize and mobilize the people for production and combat.

This economic policy could not be carried out satisfactorily without correctly defining and adequately working out the *interdependence* between different concrete tasks, that is, between:

— the defeat of the air escalation and that of an eventual extension of the "limited war" to the North,

— production and combat,

— immediate and long-term requirements,

— mobilization and maintenance of the production capabilities of the population and their combat capabilities;

— the national effort and aid by socialist countries.

POLICY OF DEVELOPMENT OF DIFFERENT ECONOMIC SECTORS

I. AGRICULTURE

During the period of transition to socialism, agriculture serves as a "support base for industrialization".

Its role consists of supplying:

- cereals and other foodstuffs to the population,
- raw materials to light industry;
- manpower to other economic sectors (industry, building, transport...) and for its own development,
- products for exportation.

Agriculture also opens up the rural markets for the sale of industrial goods.

In war time, these tasks were even more urgent, as "the North is the rear base for the whole embattled country", and the anti-US resistance was a combat which involved the entire people and moreover a protracted combat demanding "on-the-spot supply".

For these reasons, agriculture must be considered as a "support base" not only for industry but also for defence, and its development increases and consolidates the potential not only for production but also for combat.

The main task for agriculture was, however, to intensify the production of cereals and other foodstuffs, with a view to ensuring supply to the army and the population, and laying up reserves for a long Resistance.

To this end, we had to:

-- practise intensive culture on a large scale, that is on every inch of the cultivable areas, and for all crops, particularly rice, whole yield must be brought to 5 tons per hectare, with two yearly crops, on all large areas, particularly in the delta;

-- to intensify animal rearing, chiefly that of pigs, to supply meat and also manure for the crops: to this end, besides domestic rearing which must supply two pigs of 50 kilos each per year and per family, collective rearing must be developed by agricultural cooperatives, each of which must undertake the care of a herd of several hundred pigs;

-- to practise on family plots intensive culture of vegetables to meet the needs of the population and of pig rearing.

The realization of these objectives required many measures for agricultural development.

1. Technical Renovation

The highest priority was always given to water conservation and control, particularly the struggle against drought and flooding, and to efforts to put water at the service of cultivation.

We had to continue the building of the water control systems begun in 1955, during the land reform, and intensified as a result of agricultural cooperation.

During the years 1965-1968, we were guided in this task by three principles: coordination between

big, middle and small water control undertakings; joint efforts and co-operation between the State and the population; coordination between conservancy and drainage. In 1966, despite the manpower shortage, the agricultural cooperative teams specializing in water works were strengthened, and in spite of US bombs, 100 million cubic metres of earth were moved, hundreds of pumping stations and thousands of small and middle-sized water works were built.

Water works now comprised not only canals, reservoirs, drains, ditches and pumping stations as in the preceding years, but also a new arrangement of ricefields which made it possible to drain or irrigate at will the smallest plots, to make future mechanization of field work easier and to create favourable conditions for a more intensive culture.

By early 1967, the layout of 38% of the cultivated areas had been greatly modified. The innumerable small plots had been grouped into large regular-shaped fields divided by rectilinear embankment; new lanes had been built and old roads straightened, planted with trees serving as a protection screen against the summer and winter monsoon and against earth erosion.

In only a few years, the age-old aspect of the North-Vietnamese countryside was radically transformed.

The construction of important water works was carried out simultaneously with the creation of big reservoirs to regulate the water level during the period of floods and to be prepared more effectively for periods of flood and drought.

During the years 1965-1968, for these major works, 172,442,000 cubic metres of earth had been moved and 1,440,000 cubic metres of bricks and stone used — an increase of 26.3% and 5.50% respectively in comparison with the years 1961-1964.

For the development of water works, the State made important investments, especially for the construction of large-scale works.

ITEMS	1961-64	1965-68	1972
Part of investments for hydraulic works in total investments for agriculture (a)	46%	61.9%	62.1%
Increase of investments for hydraulic works	100	143	216.4 (b)

(a) Including investments in State farms.

(b) In comparison with the yearly average in 1961-64 and + 51.4% in comparison with the yearly average in 1965-68.

During the four years 1965-68, 48 new large-scale water works were put into operation (against 31 works during 1961-64); the average irrigation and drainage capabilities of each work increased by 32% and 54.5 % respectively.

At the pumping stations under state or provincial management, the number of pumps in 1968 increased by 25.4% and in 1972, by 78.5%, in comparison with 1965.

As a result, the cultivated areas served by irrigation and drainage facilities were considerably extended:

IRRIGATED AREAS (a)
(in percentage of cultivated areas)

ITEMS	1960	1964	1968
Total annual crops	63.9	69.3	69.4
Including			
— Rice (with two yearly crops)	75.2	84.2	86.2
— 5th lunar-month rice	86.3	89.2	92.3
— Dry crops and annual industrial crops	19.2	30.0	28.8

(a) By large and middle-scale hydraulic works.

Water works and dykes, of vital importance, were choice targets for US planes.

From 1965 to 1968, the Americans destroyed 661 dyke sections in 17 provinces, 800 water works of different sizes. In the southern provinces exposed to severe yearly drought, nearly all water conservancy works were destroyed or heavily damaged.

Continuing Johnson's work, Nixon ordered the bombing, from April 10, 1972 to October 30, 1972, of 124 dyke sections and 125 water works.

Particularly during the months preceding the period of high annual flood, heavy rains and typhoons from April to July 1972, the US bombing of dykes in regions of vital importance was intensified, in an attempt to cause severe floods during the months of August, September and October. For instance, violent attacks were directed against the dykes in the district of Nam Sach (Hai Hung province) where tributaries of the Thai Binh river meet, and also the dykes at river estuaries.

The protection of dykes and water works constituted one of the major tasks during the years of

war: 300,000 persons belonging to agricultural cooperatives were mobilized for filling the gaps made by the bombs and consolidating about one thousand kilometres of dykes. In 1972, this work required 20 million cubic metres of earth (against 26 million cubic metres for the entire period of 1965-68). Defence measures were taken to limit damage to a minimum: installation of A.A. guns, building of embankments to protect pumping stations, dispersal and evacuation of hydraulic equipment and machines, storing of reserves of diesel engines to cope with a possible disruption of electric current.

The development of water works, indispensable for the consolidation of cooperatives and the improvement of their management (a question which will be dealt with later) by controlling water, allowed an important innovation — possibly the most important one — in war-time agriculture in North Viet Nam.

This was the introduction of a new quick-ripening rice variety of high yield: *spring rice*.

First, the problem was to substitute a quick ripening crop 3 to 4 months — with high yield for a crop with a low yield, the 5th-lunar-month crop of *chiem* rice, with a period of growth of 6 to 7 months.

During the years 1966-67, after several years of agricultural research, we developed quick ripening rice varieties with short stems, straight-standing leaves, more resistant to cold, and especially with higher yields (5 to 8 tons per hectare on experimental fields). These *Tran Chau* varieties now replaced old varieties, also quick ripening but with yields not much higher than that of *chiem* rice. From 1970, the *Nong nghiep* 8 variety developed in 1968 was grown, its yield being higher than that of *Tran Chau* rice.

With the short period of growth of spring rice, we can now grow two crops (one rice crop and a crop of sweet potatoes or azolla) in a space of 8 or 9 months (from November to June) on areas which formerly gave only one crop or were left fallow.

In the delta and the midlands which comprise 9/10 of the cultivated areas, and where the soil is fertile, the water control network was being completed, and intensive culture more and more widely practised. The areas planted with spring rice were as follows:

1965	3,700	hectares
1966	23,692	—
1967	25,054	—
1968	34,500	—
1969	63,243	—
1970	103,644	—
1971	540,000	—

In 1972, spring rice occupied 650,000 hectares, i.e. 65% of cultivated areas in spring-winter (*chiem*+spring rice) rice-growing regions, against 6.30% in 1968, the figures for production being 71.6% and 8.7%.

Its yields have increased considerably: by 21% in 1968 in comparison with the *chiem* variety, by 35% in 1970, and by 50% in 1971. From 1970, particularly high yields were obtained: 10 tons per hectare on selected fields, 7 to 8 tons per hectare on large areas (a dozen hectares), 5.5 tons on the total cultivated areas of many cooperatives, 4.5 tons per hectare on thousands of hectares in some districts. These yields, which could not be obtained before 1965, even with two annual crops, were not limited to only a few regions in the delta: from 1972, they were generalized in nearly all provinces in the delta and the midlands, even the southern provinces and even some provinces of the mountainous regions traditionally known for low yields.

As early as 1966, the provinces of Thai Binh and Nam Ha had eliminated 67% of low-yield rice varieties to replace them with carefully chosen local varieties, imported or crossbred varieties, which made it possible to obtain in 1967 "5 tons per hectare with two annual crops" on the totality of cultivated areas. The cooperatives which had obtained more than 6 tons per hectare with two annual crops — there were hundreds of these — have since then adopted new varieties or selected varieties for 80 % of their ricefields.

As the adoption of *spring rice* for large areas since 1966 brought more annual crops, the yearly production of foodstuffs increased considerably, chiefly owing to the high yields of the winter-spring crops. This innovation in cultivation technique also favoured the spacing of crops and a rational employment of manpower. Instead of being mobilized for work mostly during the months of November, December and January as before, manpower was now available during five months (from November to March), the harvest of spring rice beginning only in February after the completion of the transplanting of *chiem* crop in January (or after the harvest of three-month sweet potatoes). The areas formerly lying fallow could now be extensively cultivated after the 10th lunar-month harvest (November), and intensive culture could be improved with the harvest of three-month azolla (November-January).

With its increasingly extended planting area and its high yield — the highest of all annual crops — spring rice had become a *stable crop* with *high yield*. The production of this rice variety was increasing continuously, with an increase of 10.2% in 1970 and of 36.1% in 1972 in comparison with 1968, thus bringing about an overall increase of the annual rice production equal to 20% of the total

production in the best years. Its planting following the growing of some short-growth (three months) varieties during the cultivation period of the 10th lunar-month rice crop (*mua* rice) created favourable conditions for growing a third annual crop, the *winter dry crop*, chiefly potatoes. Food for men and animals was now more abundant; pig rearing, intensified, could supply more manure for the fields.

While the *chiem* variety was restricted to low-lying, acid and aluminous land, *spring rice*, now preponderant on fertile areas where full control of water had been achieved, began to expand in spite of Johnson's bombs and had taken a firm hold in the delta and the midlands by the time Nixon unleashed his B.52's against Hanoi and Haiphong.

This "*green revolution*" carried out despite the US air escalation was made possible by agricultural cooperation which enabled us to solve organizational problems, and by the State which supplied funds for the development of water control works and favoured agricultural researches (the number of research stations for experimentation on seeds rose from 53 in 1965 to 90 in 1968; the quantity of selected or imported seeds supplied to the cooperatives by the technical services and their research stations increased by 93.3% in 1965 and 499% in 1968, in comparison with 1964). This Green Revolution was a real turning point in the agriculture of the DRVN now on the way to a far-reaching renovation.

The practice of intensive agriculture on a large scale and advanced level, facilitated by the adoption of spring rice, required a large supply of *chemical and organic fertilizers*.

As the fertilizer factories had been destroyed or severely damaged by the US bombing, the supply of chemical fertilizers to the agricultural cooperatives was ensured chiefly through importations,

which increased by 196.5% in 1965 and by 125.4% in 1968, in comparison with 1960.

The shortage of chemical fertilizers due to the war was largely remedied by the use of manure supplied by the intensified rearing of pigs, and also by the use of green fertilizers, particularly *azolla*.

During the years 1965-1968, *azolla* culture (chiefly in winter, after the harvest of the 10th-lunar-month rice) was greatly intensified on a total area of 350,000 hectares thanks to the multiplication of crops, and supplied from 25% to 30% of the total quantity of fertilizers used. The production of *azolla*, which since 1965 had become a crop in its own right in the rotation practice, gained in scope with the creation in each agricultural cooperative of a specialists' team comprising young members who had completed seven-year general education and attended technical courses of 3 to 6 months.

The multiplication and rotation of crops required appropriate organisation of manpower, the more so as labour shortage had been a problem in some regions, despite seasonal under-employment, due to the departure of young people and the stronger male workers who joined the army or took part in the construction of defence works.

The improvement of farm tools and the mechanization of agricultural work (including ploughing) agricultural products, etc.

What was required was chiefly *small mechanization* to be applied to water control work (irrigation and drainage), field work (ploughing weeding, antipest spraying, winnowing, threshing and husking of paddy, preparation of cattle fodder, processing agricultural products...

As early as 1965, the plan was considered to equip each cooperative of 100 to 200 hectares with a general-purpose engine of 10 to 20Kw to operate a

variety of small machines (pumps, threshing, winnowing, husking machines, etc.) thus making up a *small mechanical installation*. This installation which promoted a real technical revolution in the countryside could be easily removed in case of alert. It was usually powered by a Diesel engine, as electric current was often disrupted by bombings. It brought about considerable productivity increase and reduction of production costs.

The percentage of cooperatives equipped with a small mechanical installation was growing continuously :

2.5 %	in	1965
11. —	—	1966
20. —	—	1967
30. —	—	1968
52.3—	—	1972

The number of engines and machines used by the cooperatives was increasing every year.

1966 = 100

ITEMS	1967	1968	1972
— Engines (a)	180	263.3	591.2
— Total power in 1000Kw	181.8	257.7	681.3
— Hydraulic pumps	147.5	205.2	567.5
— Threshing machines	176.5	283.0	566.2
— Husking machines	180.4	289.6	487.3
— Small machines for fodder preparation		697.3	1,657

(a) Not including the engines and pumps put at the disposal of the cooperatives every year for the fight against drought and flooding, or operated by pumping stations managed by the central or provincial administration.

On an average, each cooperative had:

Items	1966	1967	1968	1972
Engines	1.24	1.36	1.40	2.03
Kw	14.44	16.52	17.70	28.15

Full agricultural mechanization, with the use of tractors and especially 12 HP two-wheeled tractors, was only at its beginning, being mainly restricted to dry-crop fields bordering rivers. Nevertheless, it has made some progress, with extending water control, the development of industry and the training of technicians and qualified workers:

ITEMS	1964	1965	1968	1972
— Number of tractors(a)	100	147	480.8	868.7
— 15-hp units tractor	100	150	522	736.8
— Areas ploughed by tractors	100	154.7	386.5	472.5
— Part of these areas in total cultivated area (b)	1.21	1.90	5.30	6.4
— Forming machines equipping tractors	—	100	266	359
— Machine and tractor stations	—	75	125	—
— Skilled workers at the stations	—	100	382	389

(a) Not including tractors used by State farms.

(b) Only areas planted with annual crops (food, industrial and vegetable crops).

In 1972, there was one 15-hp tractor-unit for every 394 cultivated hectares, against 699 hectares in 1968 and 2,750 hectares in 1965.

The use of 12-hp two-wheeled tractors was clearly profitable as it increased productivity 20 times in comparison with ploughing with draught animals, the soil being better prepared and the cultivation time-table more strictly observed. It was doubly economical, as much less expenses were incurred than those for maintaining the draught animals and paying the labourers. The use of these machines, although still limited, made up to some extent for the shortage of male workers.

The mechanization of agriculture, particularly of water control work (against drought and flooding) required larger supply of spare parts and diesel oil, and electric power to operate the engines. Repeated enemy attacks against electric power stations made the power problem more acute, but priority was given "power for agriculture".

(in million Kw/h)

1964	1965	1966	1967	1968	1972
100	156.2	230.4	160	255.4	293.8

The improvement of rudimentary farm tools constituted a no less important factor contributing to increasing the yields of crops and labour productivity, particularly in the transport of seedlings and fertilizers to the fields and paddy to the threshing grounds; the replacement of bamboo yokes by hand-carts reduced transport costs by 62.5% to 75%, bringing them down from 40% to 15% and even 10% of the total number of work-days per cultivated hectare.

The use of machines did not mean that buffaloes and oxen were playing a less important role. They remained the main draught force.

It was during the bombings from 1965 to 1968 that the *technical renovation* as well as the "*green revolution*" was accelerated; these innovations were carried out to an intensified degree during the 1972 U.S. war re-escalation.

The mechanization of agriculture—in this case small mechanization—was carried out at a time when many male workers had to leave the cooperatives to join the army or take part in the construction of defence works, although a larger and steadier supply of food had become an urgent task. It had great effects not only on the technical and scientific level, but also on the social—economic level, with the *promotion of women* in active social life in the countryside.

Strong and experienced male workers had formally done the ploughing, pulling up of seedlings, threshing of paddy. They were now replaced by women who made up 70-80% of the labour force of cooperatives. Women did all the above-mentioned tasks, they also became secretaries of village or communal Party committees, cooperative presidents, heads of production brigades.

The new way of working introduced into agriculture with the use of machines required more rational organization, coordination between different jobs, between the fodder-preparing machines and better-organized work by the rearing brigade, between full use of the threshing machines and the accelerated gathering of harvests, between the operation of the water-pump and more rational organization of the water control brigade, between the operation of the ploughing machine and the water control brigade and the replanting brigade etc.

The use of machines also required a higher cultural level in the peasants—and this was insured

to a certain extent by the development of education—particularly in the case of the cooperative leaders. The latter, to be equal to their tasks, must acquire the rudiments of mechanics, even some technical and scientific knowledge, new capabilities in organization and management. With the use of machines, the peasants had more time left for weeding, contending with pests and plant diseases, tending their private plots and engaging in sideline activities to increase their income.

Lastly, the technical renovation progressively transformed the peasants' old mentality, their working methods and habits inherited from the feudal past which hampered production.

However, this renovation would have been impossible without aid from the State.

The State made important investments, not only in water works, as mentioned above, but also in machine and tractor stations, research centres for experimentation and the popularisation of technical and scientific knowledge, including selection and multiplication of rice and industrial plant seeds, of new breeds of animals, particularly pigs, application of new cultivation techniques, study of soil, water, and plant diseases, veterinary practice. These investments increased during the years 1965-1968 by 144.7%, in comparison with the years 1961-1964 (in 1972, they increased by 169.5% and 10.1% in comparison with the annual average of the years 1961-1964 and 1965-1968, and constituted 25.2% of the total investments in agriculture (including those made in State farms) against 10.9% for these two periods (18.4% for 1972). If investments in State farms were not included, these figures would be respectively 28.9% (for the years 1965-1968) and 22.8% (for 1972) against 19.2% (1961-1964). It should be noted that the State also made important investments in scientific researches by colleges whose

contribution to the technical renovation of agriculture was considerable. We shall return to this question later.

By the end of 1968, there were 164 agricultural research and experimentation centres and 143 centres for promoting popularization of cultivation and rearing techniques, against 106 and 84 in 1965, with 30,216 hectares of land put at their disposal, against 13,116 hectares in 1965; the number of scientific and technical cadres working in these establishments in 1968 increased by 213.8% for higher-level cadres, and by 167.7% for secondary-level cadres, in comparison with 1965.

In a word, the State reserved important funds (the investments in State farms not included) for the development of agriculture during the years of war.

1965-1968	+ 62.3% in comparison with 1961-1964
1972	+ 126.6% in comparison with the annual average during 1961-1964
	+ 39.5% in comparison with the annual average during 1965-1968.

They constituted 87% of the total investments in agriculture during the years 1965-1968 and 80.5% for 1972, against 56.9% for the years 1961-1964.

Long-term loans were granted the peasants by the National Bank at a very low rate of interest; in cases of harvest losses due to climatic conditions or war destructions, reimbursements were reduced, sometimes annulled.

*Increase of long-term loans
(in million dong)*

1961-1964	100
1965-1968	220
1972	131 (in comparison with the annual average of 1961-1964)

Moreover, equipment and materials were sold to the cooperatives by State enterprises at cost price, fuel was exempt from taxes or given free, machines were repaired at the expense of the manufacturers.

This important aid by the State in different forms made it possible gradually to build up the material and technical base of collectivized agriculture: small machine stations, improved farms tools, drying grounds, paddy stores, installations for the preparation of seeds and manure, pigsties, etc.

*Increase in average amount of permanent
funds of cooperatives (in 100 dong)*

	1965	1968	1972
Total	100	352.6	556
for a cultivated hect.	100	154.5	280
for a worker	100	189	223

This was a result of the self-financing of the cooperatives which during the years 1965-1968 reserved on an average 72.8% of their income for capital accumulation funds.

Although industry had suffered severe damage, its contribution was very important, being facilitated by the implementation of a correct and appropriate industrial policy.

The technical renovation, prepared during the years 1961-1964 of the first five-year plan, accelerated during the escalation of 1965-1968, obtained good results. It introduced a series of associated techniques. It was adapted to the socio-economic conditions of the country, but was not a series of occasional emergency measures. It relied on the old and systematic experience of peasants as well as on the results of scientific research. Therefore, it required coordinated efforts and a rational division of labour: the new cultivation techniques required strict timings, a precise work programme for each

season and each crop, (which must follow or alternate with other crops) for each plant or rice variety, taking into account the character of the soil and climatic variations. All that could not have been done by individual producers and without the effective aid of the State.

However, the new technical measures could not have been carried out without the training of scientific and technical cadres; *in the first place*, by the higher-level and secondary technical schools; *supplemented* by courses of six months or a year in hydraulics, animal rearing, crop cultivation, management, etc., specially organized for young cooperative members who had completed seven-year general education. In 1966, 17,000 young men and women were trained, and went back to their villages, where they formed the core of technical-scientific teams engaged in azolla culture, water works, pig rearing, selection and preparation of seeds, soil studies, etc. In these specialized teams, old peasants with their long experience were working side by side with the young people with their new technical and scientific knowledge. The popularization of new techniques was thus facilitated by the creation of specialists' teams and a higher educational level of the peasants which was achieved through anti-illiteracy campaigns and the general education policy. Besides, in experimental fields, agronomists were working with scientists and students on researches in conjunction with cooperative members.

The training of cadres for the cooperatives was intensified during the years of war: the number of technical and management cadres reached the figure of 40,773 in 1972 (including 125 higher-level cadres and 12,892 secondary-level cadres), against 5,600 in 1965, not including 1,120 higher-level cadres and 750 secondary-level cadres on long-term loans by the administration.

2. Improvement of Management

The introduction of new cultivation techniques and methods required the application of new social and economic measures.

A cooperative which was too small and did not cultivate a large enough area of land could not have enough manpower, funds and land for large-scale works (particularly for water works), further improvement of techniques, specialization of cultures and other agricultural activities, and improvement of the cooperative members' living conditions.

Efforts had to be made to give the cooperatives a new structure:

First, to bring the lower-level (semi-socialist) cooperatives to a higher, socialist, level. Second, to merge several small cooperatives into one or two cooperatives on a village scale and then progressively on to wider, communal scale. Begun in late 1960 and intensified in 1963 during the "campaign for improving management", this movement was continued vigorously during the years 1965-1968:

ITEMS	1960	1965	1968	1972
Number of cooperatives including socialist cooperatives, numbering	40,422	31,651	22,162	19,564
	4,346	19,035	17,839	16,994
Percentage of peasant families working in cooperatives in the total number of peasant families	85.8	90.1	94.8	95.7
including families working in socialist cooperatives numbering (%)	14.5	72.1	92.9	96.1

The number of cooperatives had decreased but their size had increased: the cooperatives now had enough manpower, land and money to acquire more technical and material means and use them in a more rational, effective and profitable way, with a view to diversifying crops, engaging in more activities or specializing in certain fields:

ITEMS	1960	1965	1968	1972
Part of areas cultivated by cooperatives in total cultivable areas (%)	68.1	80.3	92.2	—
Average number of families working in cooperatives	68	85	138	163
Including those working in socialist cooperatives	79	107	168	—
and semi-socialist cooperatives:	57	56	52	—
— farmers	109	136	220	269
— cultivated areas (hectares)	33	49	83	—
Breakdown:				
— socialist cooperatives	48	62	92	—
— semi - socialist cooperatives	32	38	43	—

About one hundred hectares for a cooperative was certainly not an ideal size, but that suited the war-time social, economic and technical conditions of agriculture, and especially the management capabilities of the cadres. The formation of larger cooperatives could only be made possible by progress in production, the cultural and political

level of the cadres, and improved management — a progress brought about mainly by technical improvement.

This change was carried out without a hitch, even in war time, owing to the political socialist consciousness of the cooperative members.

The modification of the structure of cooperatives, however, created a new problem — *the improvement of management* — the more so as this improvement must accompany the technical renovation of which it constituted the framework. Structural modification, management improvement, technical renovation, these three measures, closely associated and interdependent, were aimed at a “many-sided, vigorous and steady development of agriculture”.

The task was really to complete the campaign launched in 1963 to give a clear orientation to production and achieve effective and democratic management of manpower and funds.

This was an imperative necessity not only for the war effort, but also in the technical renovation. Agricultural production could not be increased to meet the needs of the war, raise the income of co-operatives, make an effective use of material and technical means, solve problems created by the introduction of new cultivation methods and techniques, if we did not know what cultures to develop (rice, dry or industrial crops) and in what proportions, on what types of soil, and in what season, what kinds of rearing to practise (pigs or ducks) what auxiliary trades to develop (basket-making or carpentry, pottery or brick making). Neither could production increase be achieved without specialist knowledge through the creation of specialist brigades (hydraulics, rearing, azolla culture, ploughing) by which means alone we could achieve a rapid increase of labour productivity and yields, a better technique and a more rational organization of work and

production. Without vigilance against the slackening of work discipline, the tendency to bureaucracy and waste, without a rational allocation of funds for expanded reproduction, progress cannot be made.

Each cooperative must have a production plan with two or three alternatives, in order to cope on the spot with war destructions: for instance, during the period of flood, if the dykes were breached by the bombings, a crop must be replaced with another to some extent, certain crops in some conditions must be increased or reduced at the expense of others.

Although much manpower had been required for the needs of defense, the capabilities of the cooperatives were still great; the management of manpower authority allocated to each person of working age (or each cooperative member's family) about 250 eight-hour workdays a year. It also found for each person work to suit his age, his health and capabilities: the old folk who could still work took part in the growing of fruit-trees, rearing of silk-worms or fish; children from ten to fifteen tended the cattle, weeded the fields, detected pests after school hours.

The leading cadres of cooperatives who were in former days mostly poor peasants or hired labourers, had not the managerial experience and capabilities equal to present-day agricultural production, and had the tendency to become bureaucratic especially in war time. Therefore, peasants must be encouraged to participate wholeheartedly in the management of the cooperative. But this could be realized only if they received the incentive of a fair share in the products. A democratic and collective management, rational remuneration and distribution of products had become more necessary than ever.

During the years 1965-1968, improvement was made in the management of most cooperatives,

especially in the delta. They devoted more time to production: the number of workdays reserved for production rose from 93.1% of the total workdays in 1965 to 96.5% in 1968 and 96.1% in 1972 — respectively an increase of 3.7%, 3.2% (+ 2.3% for cultures; + 8% for rearing, + 13.5% for constructions, particularly water control works.) As a result, the share of the cooperatives in the total income reached 11.2% in 1965, 13.1% in 1968 and 16.9% in 1972, against 7.3% in 1960, which allowed an increase of accumulation of funds of 40.3% in 1965, 43.5% in 1968 and 92% in 1972, in comparison with 1960. This was made possible not only by production increase, but also by the reduction of production costs: — 7.5% for rearing; — 10% for auxiliary trades.

The exploitation of family plots¹ and familial pig rearing were encouraged: the price of pork paid by the State to peasants was increased. The cooperative members' income from familial production constituted 55.6% of their total income in 1968, against 51.9% in 1965; on the other hand, revenues coming to them from the cooperative went from 39.2% to 32.2% for the same period, which made it possible for the cooperatives to increase their supply to the State considerably.

3. Agricultural Development

Despite the fierce bombings which caused severe losses to agriculture, the rate of development of the years 1955-1964 was maintained.

1. Plot given to each family who had joined the cooperative, the part of each person not exceeding 5% of the cultivable area per inhabitant in the commune; it is used for cultures or rearing (pigs) each person receiving about 54 sq. metres; a family of 5 persons thus has at its disposal from 270 to 300 sq. metres.

Value of agricultural production
(annual average)
(based on 1970 prices)

1961-1964 (a)	100
1965-1968 (b)	106.5
1969-1971 (c)	106.4
1972 (d)	120
1973 (e)	113.5

a) First five-year plan (1961-1965)

b) Johnson's escalation

c) Economic restoration after first escalation

d) Nixon's re-escalation

e) First year of economic restoration after 1972 re-escalation.

This movement involved not only cultures but also and chiefly rearing.

Value of cultures and rearing
(annual average) (based on 1970 prices)

Year	Cultures	Rearing
1961-1964	100.0	100.0
1965-1968	104.6	113.7
1969-1971	105.8	108.8
1972	121.4	114.0
1973	112.0	122.5

Food production, the central and most urgent task, was maintained at nearly the same level as in 1961-1964:

Food production
(annual average) (calculated in paddy)

1961-1964	100.0
1965-1968	99.0
1969-1971	95.0
1972	109.9
1973	99.3

Rapid progress was made in 1972, especially in rice production, at the expense of dry food crops (sweet potatoes, maize, cassava).

<i>Year</i>	<i>Rice produc- tion (annual average)</i>	<i>Production of dry food crops (annual average)</i>
1961-1964	100.0	100.0
1965-1968	96.2	112.1
1969-1971	96.1	90.0
1972	113.8	91.2
1973	103.2	80.5

During the years 1965-1968, while there was a slight recession in rice production, dry food crops made good progress, chiefly owing to intensified culture of sweet potatoes which were to supplement the rice ration.

*Production of sweet potatoes
(annual average)*

1961-1964	100.0
1965-1968	103.6
1969-1971	97.8
1972	87.5
1973	77.0

The increase of sweet potatoes production was due not only to the increase of cultivated areas, but also to higher yields, while in rice production, higher yields were obtained on decreasing cultivated areas.

*Areas planted with food crops
(hectares) annual average*

<i>Year</i>	<i>Total</i>	<i>Including rice growing areas</i>
1961-1964	100.0	100.0
1965-1968	97.5	94.4
1969-1971	90.0	89.4
1972	91.2	91.5
1973	86.5	87.1

Rice yields
(in tons, per hectare, with two crops)

1960	3.590	1969	3.800
1965	3.910	1970	4.311
1966	3.401	1971	4.282
1967	3.951	1972	4.719
1968	3.777	1973	4.435

The movement for obtaining "five tons of rice per hectare, with two annual crops" launched in 1965 soon extended to nearly all provinces.

	1965	1966	1967	1972
Number of co-operatives having obtained 5 tons/ha	640	764	2628	3763
Percentage of the total number of co-operatives	4.8	6.1	11.7	22.1
Areas (1,000 ha)	29.1	72.6	162.1	297
Percentage of areas planted with two crops	—	—	25.0	45.3

Great attention was given to dry vegetable crops and rearing which supplied an important part of foodstuffs.

Dry vegetable crops

	Areas	Production
1961-1964	100.0	100.0
1965-1968	121.3	159.0
1969-1971	132.0	220.6
1972	138.0	250.0
1973	133.5	230.0

The development of pig rearing, boosted by the intensive culture of sweet potatoes, made it possible to maintain the meat supply to the towns at nearly

the same level as before the US war escalation, and to supply to cultures large quantities of pig manure which had to be used in the place of chemical fertilizers whose production had been disrupted by the bombings.

Increase of the pig herd
(annual average)

1961-1964	100.0
1965-1968	119.3
1969-1971	130.5
1972	134.2
1973	147.7

In this branch of agriculture the cooperatives made great efforts to develop their collective herds, while encouraging domestic rearing through appropriate measures to help cooperative members, such as the sale of paddy and sweet potatoes at reduced prices.

ITEMS	1964	1965	1966	1967	1968	1972
Proportion of cooperatives having collective pigsties in the total number of cooperatives (%)	12.9	27.9	39.6	45.2	49.2	
Proportion of collective pig herds in the total number of pigs (%)	2.1	3.7	9.8	11.1	11.4	11.3
Increase in the number of pigs reared in collective pigsties	100	172	232	256	264	

Although priority was given to foodstuffs, much attention was paid to annual industrial crops whose acreage and yields were considerably increased :

Cultivated areas

1961-1964	100
1965-1968	107.4
1969-1971	94.0
1972	91.4
1973	85.0

PRODUCTION OF PRINCIPAL INDUSTRIAL CROPS
(1955-1960 : 100)

	1961-1964	1965-1968	1972
Hemp	220.5	295.8	412.2
Rush	168	231.6	180.5
Peanuts	140	158	180.6
Soya	100	111.6	57.7
Tobacco	360	502	651.3
Tea	120.2	269	383
Coffee	100	256.4	745
Sugar-cane	181.4	169	158.6

Efforts to give a new structure to agriculture were intensified with a view to progressively decreasing the monoculture of rice :

**PROPORTION OF DIFFERENT CROPS IN THE TOTAL
VALUE OF CROPS (%)**

	1955-1960	1961-1961	1965-1968
Food crops	78.5	74.7	69.5
Vegetable crops	17.7	19.7	23.7
Industrial crops	3.8	5.6	6.8
	100	100	100

**PROPORTION OF DIFFERENT CROPS IN THE
TOTAL ACREAGE (%)**

ITEMS	1955-60	1961-64	1965-68	1969-71	1972	1973
Food crops	93.6	90.5	89.4	89.2	88.9	89.0
Vegetable crops	2.7	3.5	4.3	5.0	5.1	5.3
Industrial crops	3.7	6.0	6.3	5.8	6.0	5.7
	100	100	100	100	100	100

The diversification of agricultural activities was vigorously carried out, which made it possible to turn animal husbandry into an independent branch of activity and also to increase the income of co-operative members :

**PROPORTIONS CONSTITUTED BY CROPS AND
REARING IN THE TOTAL VALUE OF AGRICULTURAL
PRODUCTION (%)**

	1961-64	1965-68	1969-71	1972	1973
Crops	79.1	77.7	78.6	80.1	77.4
Animal rearing	20.9	22.3	21.4	19.9	22.6
	100	100	100	100	100

**PROPORTIONS CONSTITUTED BY DIFFERENT
ACTIVITIES IN THE TOTAL INCOME (%)**

	1965	1968
Crops	87.4	83.8
Animal rearing	3.5	6.3
Auxiliary trades	9.1	9.9
	100	100

During the war years 1965-1968 and 1972, North Vietnamese economy underwent a profound transformation, not only in its techniques, but also in its social and economic structures. Fundamental transformations were effected in spite of the bombs, which made it possible to cope with problems created by the war, while carrying on industrialization. A significant fact is that it was during 1972, when destructions were most severe, that agriculture made the greatest progress, on almost all levels.

It was the result of a policy the correctness of which has been clearly proved, a policy which developed technical renovation as the essential factor.

4. Protection of Production

If the war effort required for its success an abundant and steady production, this production in its turn required for its continuation and development an effective defence. Combat and production, two closely linked tasks, must then be carried out simultaneously. "A plough in one hand, a gun in the other", this slogan expressed a reality, the everyday life of millions of North Vietnamese peasants, from the delta to the midlands, the mountainous regions and the southern provinces.

In the appendix we give an example of "the protection of agricultural production" in one district.

US bombs could damage the fields, destroy villages and kill peasants. North Vietnamese agriculture was not dislocated by enemy attacks, on the contrary it continued to progress. This was because the North Vietnamese peasants who faced the US planes during the escalation of the air war were not the same as those in the First Resistance (1946-1954), in the meantime agriculture in the DRVN had been in every way profoundly transformed.

The ordeal of war from 1965 clearly showed the strength of agricultural cooperation (without which neither combat successes nor production progress would have been possible), and the growing attachment to socialism of peasants who perfectly understood that in defending the socialist state, they were defending their own future and that of their children.

APPENDIX

Quynh Luu district in Nghe An province, one of the southern provinces which was a choice target for the US Air Force and the 7th Fleet, was one of the most violently bombed regions of North Viet Nam during the years 1965-1968 and especially in 1972.

In face of the threat of extermination, urgent measures had to be taken: "To stick to the village and the fields to maintain at all costs production, which is to be reorganized on a new basis so as to meet the requirements of the war and combat" was the order of the day.

Air defence was considered to be of vital importance. Old people, children and invalids were evacuated to safer places. Those who remained behind were Party and Youth Union members and people of strong physique whose urgent task was to carry on production, take an active part in air defence and undertake other tasks required by the resistance.

An alert system with 48 lookout posts set up at key points in the district watched day and night to warn the population of enemy activities and the approach of US planes.

One million workdays were allocated to digging 110,000 collective shelters supplemented by individual shelters along highways and lanes leading to the fields, in courtyards, gardens, inhabited areas by the drying grounds of cooperatives, and nearly fifty kilometres of underground communication trenches linking hamlets, villages, cooperatives, communes, which were used as lines of communication as well as shelters for fighting units and peasants going to work on the fields, and also as air defence emplacements for the self-defence teams. In this district, there was on an average one strongly-built shelter made of bamboo and earth, for every 1.6 persons.

Hundreds of armed, well-trained popular self-defence brigades were day and night on the look-out for enemy

planes. Each cooperative had a team made up of sturdy young men "with a gun in one hand and a plough in the other" who at the same time engaged in production work and the protection of farmers in the fields.

These brigades and teams operated in coordination with regular troops.

Peasants going to the fields carried with them portable shields made of plaited straw which provided protection against fragmentation-bomb splinters. They were also accompanied by first-aid teams.

A new organization of work was necessary to limit damage in the event of bombing.

Field work was halted during the hours when enemy planes were most active. If the planes often appeared in the morning, people would go to the fields in the afternoon and the evening, and conversely. When they came frequently at unexpected moments of the day, work would be done at night. At the approach of the planes, the peasants got into the shelters; when the enemy was gone, they immediately resumed their work.

At places where the bombings were particularly fierce and of almost daily occurrence, field work was entrusted to special groups made up of Party and Youth Union members, strong-bodied and experienced in combat, who did all the field work-ploughing, replanting, harvesting—while other cooperative members were assigned less dangerous or lighter tasks nearer to the village.

Each production brigade, protected by an armed self-defence unit of 10-12 members, was divided into 3-5 men groups for rapid dispersal in case of alert.

When the alarm was sounded, each combat unit returned at once to its defence works, while the other farmers took refuge in shelters.

For the protection and repair of hydraulic works which were choice targets for American planes, there was organized an armed shock brigade of one thousand members led by a member of the district Party Committee. This brigade whose duty was to defend the key-post on a round-the-clock basis, fought 130 bombing raids in 1972, moved 200,000 cubic metres of earth to repair 2,000 metres of irrigation canals destroyed by bombs. Thus it was always possible to irrigate the ricefields and obtain good crops.

Quynh Luu district was raided many times from 1965 to 1968, but it was hardest hit in 1972. From April to December of that year, it was subjected to 1,250 bombings carried out by aircraft of various types including B.52s, and air and naval craft of the 7th Fleet, which hurled 100,000 bombs and shells: all the agricultural cooperatives, 80% of the production brigades, 70% of the cropland, almost all irrigation works, were hit repeatedly; many villages were strafed 30-50 times in 6 months, there were days in which places all over the district were struck. Despite these heavy destructions, the Quynh Luu inhabitants did not give in: in 1972, they harvested 6.4 tons of rice per hectare on the totality of ricefields (two crops), an increase of 800 kilograms per hectare compared with 1971, and the highest yield in all the southern part of the North. As its annual rice production rose by 27% over the preceding year, the district was able to double its food deliveries to the state.

In 1972, the people's self-defence brigades downed 3 American planes by its own means and 10 in coordination with the A.A. units. Technical renovation was carried out under the bombings: the regional re-distribution of cultures went on; the introduction of new rice strains of short growth and high yields was made on 70% of the planting areas (an increase of 10% over 1971); more manure was available (7.5 tons of pig dung per hectare and per crop against 6 tons in 1971); hydraulic work was stepped up (in the main rice-growing region in the district water control was assured for 5,000 hectares or over two-thirds of the planting areas through an extensive network of irrigation canals, one hundred reservoirs totalling 60 million cubic metres built in the mountain regions); the clearing of virgin land was carried out on 7,000 hectares, together with the filling up of bomb craters, thus increasing the acreage of rice land by 250 hectares and that of the winter crops by 1,000 hectares: specialization of work was achieved with the creation in the cooperatives of ploughing and transplanting brigades, making it possible to devote 25% of manpower to combat duties and to other non-agricultural occupation while improving cultivation methods, observing the planting schedule and increasing the planting area.

"Gun in one hand and plough in the other", the peasants of Quynh Luu are typical of the North Viet Nam's coop farmers who defend the land of their ancestors while taking part in socialist construction.

II — INDUSTRY

The principles of industrialization—the fundamental task of the period of transition to socialism—remain the same as during the war years with however a new direction adapted to new circumstances.

Rational priority is always given to heavy industry simultaneously with the development of light industry and agriculture.”

This should be achieved by the application of a series of measures consisting of :

- a) coordinating big enterprises with small and medium-sized ones ;
- b) employing both modern techniques with primitive traditional methods ;
- c) establishing new enterprises and at the same time expanding and modernising existing enterprises ; increasing their efficiency ;
- d) developing centrally-run enterprises in harmony with that of regional enterprises.

As the war developed into one of air attacks by the enemy—the application of that industrial policy had to adapt to many different requirements, the most important of which was to “speed up technical revolution in the whole economy, with special emphasis on agriculture, regional industry (including local workshops) national defence industry, transport and communications, in order to satisfy all the various growing needs of production and

war, at the same time guaranteeing the production of primary goods for local consumption and for export.

Important state investments were made to develop industry which accounted for 31% of the total of economic investments in the period from 1965 to 1968 (26% in 1972) as against 46% between 1961 and 1964; (that slight regression was due to the priority given at the time to transport and communications). However the investment made in industry took second place, before that of agriculture.

"Priority" was always given to heavy industry: Group A absorbs practically all investments, or 82% in 1965-1968 and 80.7% in 1972, against 78% in the period 1961-1964.

Concrete measures were thus taken.

1 — Guaranteeing the Protection of Production and of State Enterprises:

This first measure was urgently adopted as industrial installations were one of the main targets of enemy air raids.

It was first necessary to evacuate and scatter the industrial installations from the towns to the countryside far from densely populated areas and important communication lines.

It was not so simple to move these quickly with a minimum of human and material losses while heavy bombings were going on. Hundreds of thousands of tons of equipment, machines and raw materials, and tens of thousands of workers and their families were involved. Great difficulties cropped up in the course of the evacuation as well as at the places of refuge where the workshops had to be reinstalled. Many difficulties were created by

enemy raids and by lack of material means. "Production must be maintained at any cost", was the watchword.

The following example of the hazardous transfer of an engineering works from Haiphong, will give some idea of the efforts that had to be made.

After the order given by a meeting of various leading organisations (Party, administration, T.U.) to "evacuate and disperse in the shortest possible time the equipment and personnel of the works and at the same time to maintain and intensify production" the "evacuation-dispersal" operation began. The workshop and its heavy equipment were removed, one thousand workers and employees together with their families were installed in various villages about fifty kilometres from Haiphong, exactly when the enemy was bombarding "to destruction" the suburbs of the port.

An "evacuation-dispersion" committee composed of leading members of the Party, administration and Trade Union, saw to the execution of the plan which called for the mobilization of all human and material resources: workers, employees, responsible cadres, together with lorries, hand-carts, bicycles, carrying poles and baskets, everything available. Each committee member was given a definite responsibility: choice of working site, reinstallation of workshops, transport of equipment and of raw materials, supply of electric power and fuel etc. A TU cadre guided a team of young workers to build dwellings, dining-halls, canteens, creches, infirmaries and clubs. The foremen were entrusted with the task of dismantling and assembling machines in order of priority (chiefly lathes, milling machines and borers). Each of them did their best so that after installation, the dispersed enterprise could resume production in perfect order. Built at first by rough-and-ready means for immediate

operation and for a temporary settlement of the workers, the whole concern was later constantly improved and consolidated.

Simultaneously, measures were taken for the protection of the workers and machines.

So it was necessary to build earth-works inside and outside the workshop to protect the installation, to dig individual and collective shelters and underground communication trenches linking various parts of the factory with each other, along communication ways, in the yards and gardens and inside the buildings.

Watch-towers were erected to give alarm when enemy planes were about sixty kilometres away. When the alert sounded, the electric current was immediately cut off, everyone went down to the shelters except the self-defence unit, which was composed of young volunteers under the guidance of a ex-armyman and armed with A.A. machine-guns. This unit kept watch day and night for the incursions of enemy aircraft.

When meetings took place, they were only to solve urgent problems and were limited to about twenty people in order to facilitate sudden dispersal.

As a means to avoid the crowding in dining rooms, canteens and recreation rooms, mealtimes were staggered from 10 o'clock in the morning to 10 o'clock in the evening, the same system was applied to film shows and stage performances and the sale of goods for the workers in each workshop during breaks.

The most solid shelters were reserved for skilled workers and technicians and their families.

The female workers, and women whose husbands worked elsewhere, enjoyed facilities and precedence in kindergartens, canteens, infirmaries, eating

places ; nursing mothers were exempted from night work and received special assistance in case of need.

The resumption of the work did not wait for the complete installation of the factory. Machines and workers immediately set to work, first of all at the lathes, milling machines and borers which simplified the immediate assembling and repair of machines. One month later, every workshop had resumed production.

As electric power was badly needed from the earliest days of the evacuation, technicians were sent to seek generators which arrived within twenty-four hours, despite the bombings and six hours later were supplying electric current to the various workshops.

Work was also continued at night by a system of shaded lights.

Evacuation and dispersal work, satisfactorily carried out on the whole, was an essential condition in the drive to keep production going.

Production was given a new direction, new objectives were defined and new plans of production for every month, for three-month periods and for six-month periods, were worked out with due regard to changing conditions.

A new organization of the work force was made with the object of avoiding loss of life and property and to coordinate the process of production. That complicated work in turn called for a new form of management which became indispensable to meet the change to wartime production. The new management had to keep going the same methods as before evacuation while at the same time meeting the new requirements of the changed situation : proper financial management, increase of labour efficiency, improvement of quality of products, curtailment of costs were always the most urgent necessities.

The war must not be allowed to interfere with production targets which entailed a piece-work payment system, nor must it interrupt the blossoming of technical innovations or the training of technicians and skilled workers.

Finally great attention was given to the ideological and political education of the workers so that they should understand the difficulties to overcome and the reasons for the privations. A spirit of selflessness and sacrifice was encouraged to make workers conscious of the importance of their task and their patriotic duty in the defence of their country.

During the war escalations in 1965-1968 and 1972, many works and factories experienced the same kind of "adventure".

As for the industrial enterprises which remained in operation, the protection of the machines as well as of the workers was always the first concern of management in order to guarantee production.

2. Developing Regional Industry

In socialist construction, regional industry (including handicrafts) plays an important role as it enables each region to plan division of work more rationally between industry and agriculture and to set up a new agricultural and industrial structure to serve as basis for future development of centrally-run industry.

In 1964, the fourth year of the First Five-year plan (1961-1965) and the year before US escalation began, the value of regional industrial output amounted already to 48.3% of the total industrial output (including handicrafts).

During the war years, because of the ever growing needs of war and supply, particularly the intensification of agriculture, communications and transport, industrial production had to undertake a more urgent task, especially as the supply of consumer goods (cotton goods, soap, matches, household articles, furniture etc.) to the population, had to be maintained and was only partially covered by local industry. Also the centrally-run industry was being heavily damaged by enemy raids.

Thus the development of regional and local industry demanded important investments which rose by 318% from 1965 to 1968 and 337% in 1972 compared to the period from 1961 to 1964, taking 25% of the total of industrial investments as against 5.6% in the corresponding periods.

Stress was laid mainly on the production of work tools and raw materials that is on group A, which received 66.8% of the investments earmarked for regional industry in the years 1965-1968 and 62% in 1972 against 15.5 % for the period 1961-1964.

In this field, the principal task was to improve the technique of agriculture by supplying it with:

— Mechanical and semi-mechanical work tools: water pumps, electric or diesel engines, two-wheeled tractors, small machines for threshing, grinding, winnowing, husking, etc.

— Improved work implements: ploughs, weeders, hoes, sprayers, etc.

— Mechanical or improved rudimentary transportation means: handcarts, sampans, motor boats, barges, tug-boats;

— Rudimentary tools: scythes, sickles, shovels, etc.

— Chemical fertilizers (phosphates) and insecticides;

— Building materials (for hydraulic works, drying yards, store pits, pigsties, etc.) lime (used also for soil improvement), timber, cement (turned out by semi-mechanical kilns) bricks, tiles ;

— electric power supplied by hydropower stations, of some thousand kilowatts each.

Great attention was paid to the processing of agricultural, forestry and fishing products, to satisfy the needs of the population ; for this purpose 33.2% of investments in regional industry were made in 1965-1968 and 38 % in 1972.

In the production of consumer goods (group B) priority was given to foodstuffs (sauces and flour made from rice, sweet potato or manioc ; raw sugar and treacle ; tea, processed vegetables ; alcoholic and soft drinks ; refined sugar, etc.) which absorbed 62.4% (in 1965-1968) and 56.1% (in 1972) of investments in group B, resulting in an increase in their production :

*Increase of the total output value of foodstuffs
(in 1959 prices)*

1960	100
1965	156.3
1968	157.8
1972	222.

Other commodities were available in the market : cotton goods and silks, furniture, utensils, paper and cardboard, rush matting, soap, matches, cigarettes, etc.

All these articles — both means of production and consumer goods — of war-grade quality and utility presentation, were made available to the population in spite of the bombings by bicycle transport, sampans, handcarts, wheelbarrows. The industrial and handicraft enterprises dispersed in the countryside

could and did maintain their activities, giving employment to the local people; the townspeople evacuated to the rural areas could also earn a living in these hard times, and the peasants could see their products, after processing, returned to them at moderate prices. There were other more important positive effects: agriculture was given a boost, the market was broadened and the income of co-op farmers and the capital accumulation of the cooperatives and the state increased.

Regional industries, until then concentrated in big towns in the delta gradually reached the midlands and the highlands: an imperative necessity for both national defence and the division of the productive forces for future industrialization. The gradual depopulation of urban centers was not only a present necessity but also a good and positive consequence of the war escalation.

Percentage of regional industry in various regions

<i>Total output value :</i>	<i>1964</i>	<i>1968</i>
— Hanoi and Haiphong	37.5	36.5
— Delta and southern provinces	41.8	41.2
— Midlands	7.1	8.3
— Highlands	13.6	14
<i>Manpower</i>		
— Hanoi and Haiphong	36.9	33.8
— Delta and southern provinces	31.2	30.8
— Midlands	7.4	9
— Highlands	24.5	26.4

In these achievements handicrafts played an important part. Already in 1964 they accounted for 29.8% of the total value of output and 61.7% of the output value of regional industry; particularly, insofar as the output value of consumer goods is

concerned, it rose to 30% and 64% respectively this year. As the rudimentary or semi-mechanical equipment of these hand industries was comparatively easy to handle, their evacuation, dispersal and protection was easy and presented no great problem. The handicraft cooperatives met the needs of war-time production. With the assistance of the State which supplied them at fair prices with raw materials, equipment and machines, fuel and electricity, technique and technology, technicians and skilled workers... they largely contributed, in their capacity as sub-contractors, to the development of regional industry.

In the production of regional industry, the part of handicrafts in 1968 was as follows:

— Improved farm implements (handcarts, wheelbarrows, ploughs, weeders)	49 %
— Rudimentary farm tools	76.3 —
— Bricks	82. —
— Tiles (for roofing)	51. —
— Timber	75.2 —
— Paper and cardboard	26. —
— Glassware	89.2 —
— Earthenware	22. —
— Cotton goods	94.7 —
— Mosquito-netting	100. —
— Salt	100. —
— Dried fish	100. —
— Sauces	12.7 —
— Raw sugar and treacle	54.8 —

On the average, handicrafts supplied 66.7% of work tools and almost all the building materials for agriculture, and 66.6 % of consumer goods.

The need to equip agriculture and handicraft cooperatives as well as regional industries required an

intensive programme of engineering with the assistance of centralised industry: in 1965-1968 it received 43.8% of investments of Group A or 29.3% of the total of investments of regional industry as against 30.6 and 20.5% for building materials which ranked second. Thanks to these important investments which increased fourfold compared to the period 1961-1964, the production of regional engineering rose (constant prices of 1959) as follows:

1960	100.
1965	173.7
1968	263.2
1972	386.2

By the end of 1968, there were about 200 engineering workshops (state-run enterprises and handicraft cooperatives) employing 22,000 workers, in provincial and district towns. They were either large enterprises having a modern installation and employing from 300 to 400 workers (chiefly in such cities as Hanoi, Haiphong and Nam Dinh) and turning out machine-tools, electric motors, water pumps, motor-cultivators, motor-boats, tug-boats, etc; or minor enterprises having a semi-mechanical installation and a few dozen workers, for the supply of agricultural cooperatives with small machines and rudimentary or improved tools. On the whole 84 % of that production went to the productive sector: industry receiving 27.5%, transport and communications 24.9%, agriculture 22.1%.

Though regional industrial enterprises were easy to transfer and to scatter, this does not mean that they were spared by American planes. But despite heavy bombings, in 1968 1029 enterprises employing 123,618 workers and technicians (against 920 and 86,044 respectively in 1964) turned out a total value (reckoned at 1959 prices) which increased by 8%.

compared with the previous year, or 54% of the total value of industrial and handicraft output, against 48.3% in 1964. They include :

— machines-tools	58	%
— electric motors	38	
— motor boats and tug-boats	35	
— farm implements (improved and rudimentary)	100	
— chemical fertilizers	15	
— insecticides	58	
— cement	25	
— bricks, tiles, lime	98	
— timber	75	
— paper, cardboard	52	
— glassware	45.3	
— earthenware	92	
— cotton goods	40	
— mosquito-netting	100	
— synthetic silks	50	
— hosiery	45.2	
— salt	97.3	
— sea products	98.2	
— sauce	91.5	
— sugar, treacle	54	
— soap	16.3	

“Self-sufficiency” (region by region, province by province) has become a living reality. By producing 56% of Group A and 65.2% of Group B of the total value of industrial and handicraft output, regional industry satisfactorily fulfilled its duty in war time, especially with regard to agriculture and transport.

Increase of production of regional industry per sector.

	<u>1961</u>	<u>1965</u>	<u>1968</u>
Productive sector	100	134.1	137.2

including:

— agriculture	100	150	237.8
— transport	100	281.8	654.8
Sector "consumer goods"	100	107.2	108.5

However, though each region or each province tackles the production of goods according to its needs and its possibilities in manpower, raw-materials, capital, equipment, its industry was also integrated in the state plan of industrial development. It functioned under the guidance of the central administration with regard to production and technique according to the principles of centralization of management, regional autonomy having always to take into consideration the requirements of the country as a whole.

3 — Strengthening Centrally-Run Industries

In peace time, modern industry run by the central administration is the backbone of all economic development, but in the year of US escalation, it had a much more important role to play since without developing the production of electricity, coal, engineering, fertilizers, cement etc., it was not possible to support the ever-increasing war effort, to strengthen the fighting forces and increase production and to advance the whole potential of the country on the road to victory.

As modern industrialisation is in its first stage, help from other socialist countries is of vital importance to meet immediate needs. But our hope has always been to build up by our own efforts all key industries in order to cope with the intricate problems arising from the war as well as with those of post-war economic restoration and development.

An appropriate policy of investment and of utilization of manpower has thus been adopted:

Increase of investments in centrally-run industries (per year)

1958-1960	1961-1964	1965-1968	1972
100	181.8	136	142

Part of these investments in total industrial investments (%)

1958-1960	1961-1964	1965-1968	1972
97.7	94.4	75.1	75.1

Division of these investments between Groups A and B

Group	1958-1960	1961-1964	1965-1968	1972
Group A	66.3	81.7	86.8	87.
Group B	33.7	18.3	13.2	13.
	100.	100.	100.	100.

Increase of investments in Groups A and B (per year)

Group	1958-1960	1961-1964	1965-1968	1972
Group A	100.	224.	178.	186.3
Group B	100.	98.8	53.3	55

The importance of regional industry is illustrated by the slowing down of the tempo of the increase in investments in centrally-run industries and the consequent decrease in their percentage in the total industrial investments compared with 1961-1964. Nevertheless "priority has always been given to heavy industry", witness the increasing tempo of investments in Group A and their rate of increase which is seen to be higher than that of

Group B; this is also true with regional industry as well as with industry taken as a whole (handicrafts included).

In a manner different from regional industry, electricity and coal topped the list of centrally-run industries, engineering ranking only third (these three industries accounted for 68.3% in 1965-1968 and 63.5% in 1972 of the total investment of Group A): regional industry was used to "promote technical revolution" in war time, mainly in transport and agriculture, all the more so since in the post-war economic restoration and development, agricultural development will remain the central task.

Laying emphasis on the means of production does not mean slowing down the production of consumer goods, because to meet the needs of the population was one of the fundamental objectives of the war time economic policy. Besides, foodstuffs and other consumer goods were also necessary for the supply of the men at the front and in the war bases. As in regional industry, here the food industries absorbed 53.3% of investments earmarked to group B during the years 1965-1968. Next came textiles, paper, furniture and other commodities such as soap, matches, cigarettes, etc. In light industrial enterprises evacuated early in the bombing period, production had to be carried on but difficulties were many: failure of electric current, shortage of skilled workers (many of whom went to the front) delay in the supply of fuel and raw materials due to lack of transport means and to bombardments.

Moreover it was necessary to be vigilant against relaxation of labour discipline. But the essential thing is that production was maintained under all circumstances in the workshops and factories, scattered as they were and decentralized, operating in small units, thanks largely to an efficient anti-aircraft defence network.

4. — Stabilizing the Level of Employment

Defence work demanded an important element of manpower, which was mainly drawn from agriculture: between 1965 and 1968 that manpower decreased by 16.5% per year on the average (11.3% in 1972) compared with 1964.

In industry as a whole, however (handicrafts included), the situation of employment remained stable, with an annual increase of 0.9% on the average.

Great efforts were made in the state sector which bore the main burden of the war effort as well as that of post-war economic restoration and development: in the four years from 1965 to 1968, that industrial manpower (of which 60% was in Group A), rose annually by 11.3% over 1964, special stress being laid on regional industry which recorded an annual increase of 22% of productive manpower.

The formation of managerial cadres and technicians, a constant preoccupation, became an imperative task aiming not only at recruiting a sufficient number of cadres but also at raising their quality to produce work-leaders capable of assimilating new techniques in order to meet the requirements of war and production and later to solve the problems created by the war in the future industrialization of the country. "Production should not be carried out regardless of costs." The question of economic efficiency required the application of cost accounting, the increase of labour productivity, the improvement of the quality of goods, the lowering of costs, the introduction of economies in the process of production. The struggle against waste and embezzlement, bungling and indiscipline, was also an urgent task. The improvement of the management of industrial enterprises must go together with the introduction of new methods in work of large-scale production and with the establishment of technical

and technological standards. An adversary of the caliber of the US could not be defeated while keeping to a backward work style. This technical revolution was a prolonged and difficult undertaking in which it could be said the resistance to US escalation actually speeded up the process.

A huge effort had to be made in the formation of cadres (for the state sector).

	1965	1965
— Technicians	14,278	18,848
of high level	2,615	3,639
of secondary level	11,663	15,209
— Managerial cadres	1,886	5,577
of high level	180	651
of secondary level	1,706	4,926
— Skilled workers	129,354	175,298

For every 1,000 workers, cadres and employers

— Technicians	64.5	72.5
of high level	11.8	14
of secondary level	52.7	58.5
— Skilled workers	585.3	674

These results were obtained despite the evacuation and dispersal of schools and families, as general education and chiefly higher education and also intermediate technical education systematically expanded to meet present and future requirements.

5 — Statistical Results

We give below the results of industrial development in the war years, development achieved, as we know, under heavy bombings which destroyed virtually all the centrally-run industries and a number of regional industries:

INCREASE OF VALUE OF INDUSTRIAL OUTPUT (in constant prices of 1959)

1964 : 100

Years	Value of total output	Sector		Administration		Group	
		State	Hand-crafts	Central	Regional	A	B
1965	109.2	114.7	97.8	113.7	104.8	116.6	104.2
1966	106	100.6	100.8	104.4	107.6	122.4	95.3
1967	92.1	91.4	93.4	78.7	101.9	100.9	86.3
1968	97.6	101.3	90	86.9	107.3	110.1	89.2
1971 (a)	133.3	145.1	108.8	125	141.2	138.4	130
1972	118.2	124.3	105.7	101.4	134.3	119.3	117.5
1973 (b)	140.6	147.4	126.5	116.9	163.4	147.4	136.2

STRUCTURE OF INDUSTRIAL OUTPUT IN PERCENTAGE OF TOTAL VALUE (in constant prices of 1959)

Group	1964	1965	1966	1967	1968	1971 (a)	1972	1973 (b)
A	39.6	42.3	45.7	43.4	44.7	41.1	40	41.5
B	60.4	57.7	54.3	56.6	55.3	58.9	60	58.5
Total	100	100	100	100	100	100	100	100

(a) Last year of the 2nd economic restoration drive.
(1969-1971)

(b) First year of the 3rd economic restoration drive.
(1973-1975)

MAIN INDUSTRIAL OUTPUTS

(1964 : 100)

ITEMS	1965	1968	1971 (a)	1972	1973 (b)
— Electricity	106.5	63.2	127.6	92.4	135.2
— Coal	116.7	66.7	94.5	47.2	63.8
— Tin	86.	38.1	48.4	50.6	48.
— Diesel engines	130.	83.2	155.4	135.	75.8
— Electric motors	132.0	130.	104. (*)	—	—
— Machine-tools	242.5	148.2	241.5 (*)	97.	265.3
— Water pumps	122.0	103.6	44.5	37.2	33.2
— Small agricultural machines	1090.	1667.4	189.4	194.	195.
— Improved farm implements	129.	288.	62.	53.7	55.
— Chemical fertilizers	90.8	75.	143.	112.3	122.
— Apatite	80.4	—	25.8	23.	20.5
— Sulphuric acid	74.	52.	99.	74.	—
— Soda (NaOH) 100%	123.2	13.4	109.2	5.	50.4
— Insecticides	176.1	493.3	138.2	82.	174.
— Plastic goods	108.	344.	324. (*)	—	—
— Acetylen	104.	94.8	54.	120.6	172.
— Lime	103.7	66.5	150.6	120.	126.4
— Timber	98.	65.2	78.2	67.9	62.6
— Cement	95.5	11.0	58.8	25.8	38.1
— Bicycles	109.2	110.	79.	77.9	78.2
— Paper	120.	44.7	96.	54.8	57.8
— Glassware	117.2	105.	163	118.5	159.2
— Earthenware	107.6	101.2	155	113.	128.
— Cotton goods	93.5	78.	102.2	68.4	71.
— Rush mats	106.4	116.5	167.7 (*)	146.	116.5
— Salt	101.4	114.6	131.4	99.6	108.6
— Sauces	103.5	105.7	114.5	94.5	98.1
— Sugar	115.	53.	50.7	46.8	50.7
— Alcohol 100°	104.4	68.1	126.2	138.6	181.
— Cigarettes	123.2	122.0	161.	150.9	201.8
— Tea	124.5	109.	251.4	207.	241.1
— Soap	107.3	58.8	57.7	75.8	83.7

(a) Last year of 2nd economic restoration drive (1969-1971).

(b) First year of 3rd economic restoration drive (1973-1975).

(*) 1970

III — TRANSPORT AND COMMUNICATIONS

As the main objective of the American administration was to cripple the assistance of the North to the South and that of the socialist countries to the DRVN, to disrupt the economy and destroy transport and communications) American planes never ceased to harass the roads, railways, bridges, ferries and convoys.

To meet the requirements of the front, both in economic development and in maintaining supplies to the population, the task of repairing the destruction caused by the enemy became a strategic necessity and a decisive element both in combat and production.

It was necessary therefore to develop simultaneously transport and communications in a double scheme, central and regional, in the delta and southern provinces, in the midlands and highlands, in the towns and countryside.

In order to "keep traffic open in all circumstances", great efforts were made to consolidate the existing communications network, to increase the means of transport while modernizing and improving them, and to see to it that they were protected against air raids.

To that key sector went 36.6% of the total investment earmarked for economic development of the years 1965-1968 and 32.3% reserved for 1972, as against 13.6% for the period 1961-1964.

*Increase of investments in transport and
communications*

1961-1964: 100 (yearly average)

	Total investment	Central level	Regional level
1965-1968	403.7	424.5	318.
1972	434.5	471.8	281.6

As the requirements were considerable and the means limited, a speedy development of transport and communication required the use of all means available:

Division of investments

(in proportion to total investment) (yearly average)

	Road	Railway	Navigation
1961-1964	45.4	33.6	21.
1965-1968	56.9	22.	21.1
1972*	54.4	20.5	18.4

Priority was given to road building which required 50% of investments from the centre and the whole of the regional investment.

The extension of the road system was rapid; it involved tar-macadamized and metalled roads, national highways and roads linking the provinces, districts and communes (the latter for lorries below 6 tons), this did not include rural tracks linking villages or those built for access to the fields.

* Investments made in 1972 include also credits reserved for the construction of pipe-lines amounting to 6.3% of total.

Increase of the road system (in kilometres)

	Total network	Network of inter-communal roads
1964	100.	
1965	117.7	100
1966	258.1	1,418
1967	265.6	1,418
1968	325.8	1,916.8

The modernization of the infrastructure was a vital task:

Increase of various categories of roads
(in kilometres; 1964: 100)

	Macadamized roads	Asphalted roads	Enlarged roads
1965		109.3	105.6
1966	141.3	141.3	119.2
1967	147.	152.5	134.8
1968	168.3	180.	—
1972	221.5	329.	213.1

By the end of the war, the DRVN had about 45,000 kilometres of motor roads as against 10,500 kilometres in 1964, thus guaranteeing the transport of 50% of the volume of goods and 20% of the ton/kilometres.

Again it can be seen here that the war had a positive effect in expanding the road system not only in the delta, midlands and highlands, but also (and chiefly) in the southern provinces, the so-called "panhandle", (between the 20th and 17th parallels) which were hard hit by enemy aero-naval craft: jungle trails and smugglers' tracks were turned by the strenuous efforts of the people into new roads used day and night by civilian and

military motorized convoys and columns of volunteers carrying goods on their backs or on bicycles, "going south" over the legendary "Ho Chi Minh trail". It was in that strategic road system which the enemy tried desperately to erase from the map that he suffered the heaviest losses (1474 planes out of the 3328 downed in north Viet Nam by the end of 1968). It was also here that the most intense effort of the war was concentrated:

Transport of goods in southern provinces

	ton/km	%	ton/goods	%
1965	100	22	100	19.2
1968	117.4	26.9	133.8	26.1

Stress was mainly laid on the intensification of centrally-run transport and communications which received 85% of investment, as only the central administration had the power to dispose of technical, human and financial means for the building of large-scale works. However it cannot be said that the development of regional transport was neglected for it was always there serving the provinces while the main arterial roads were used for centrally-run transport:

Ratio of regional transport in the transportation of goods (%)

	ton/goods	ton/km
1964	61.2	25.4
1965	62.8	31.8
1968	63.2	41.2
1972	63.4	37.2

In war time, the transport cooperatives proved to be most efficient: they used rudimentary or sometimes improved means and little manpower, and took charge of the transport in each district and

commune and that between the various districts and communes and even between the provinces, thus making it possible to save large quantities of fuel so precious in war time:

Part of transport cooperatives in goods transport (%)

	ton/goods	ton/km
1964	36	15.2
1965	36.2	16.7
1968	32	17.5
1972	30.9	12.9

One could find on the highways among heavy lorries, and on rural roads, tracks and trails, hand-carts, horse carts, ox-carts, buffalo-carts, wheelbarrows, tricycles bicycles and pack-horses, and on waterways small craft, junks and sampans. All these means were less exposed to bombardments, easier to disperse and to camouflage — carrying a constant round-the-clock supply of munitions to A.A. batteries, foodstuffs and consumer goods to markets and state shops, farm implements, chemical fertilizers, insecticides, cement, lime, bricks and tiles to agricultural cooperatives, and machinery, raw materials, fuel and lubricants to industrial enterprises.

Part of improved and rudimentary transport means in goods transport (%)

	ton/goods	ton/km
1964	35.4	12.8
1965	39.6	19.
1968	40.	22.4
1972	31.4	12.8

The importance of the task required the intensification of transport means and a considerable manpower; this involved experienced cadres as well as inexperienced young people coming

mainly from the agricultural areas and organised in para-military brigades.

As in other economic sectors, the slogan was always: "Combine rudimentary with modern means". But it was in transport that technical renovation was most conspicuous. Great efforts were made to step up mechanization while proceeding to the improvement of simple primitive means, the increase of locomotives, carriages, trucks, launches, motor-boats, barges, tug-boats, as these are generally more efficient than handcarts or ox carts, etc.

Increase of various transportation means
(1964: 100)

	1955	1958	1972
Mechanized means of transport			
— Railway locomotive	103	241.4	291.3*
goods-van	121.4	213.5	203
carriage	97.3	123.8	106.6
— Road transport			
heavy lorries	101.6	447.3	343.3
towing	112.1	152.9	197.9
River transport and coasting			
tug-boat	112.6	273.3	345.5
cargo boat	109.7	319.5	373.2
passenger boat	—	—	—
barges	109.6	190.4	341.3
Rudimentary and improved transport means			
ox-cart, buffalo cart	92.8*	181.7	221
improved handcart	104.1	157.9	—
horse-cart	62.7	127.3	110
pack horse	125	143.1	—
sampan	84.2	101.3	—

* The locomotive section was heavily damaged by bombardments in 1972.

Besides the modernization of means of transport, attention was also given to the means of goods handling: at Haiphong port which did virtually all this import business and 50% of exports, manual labour was greatly reduced, dropping from 15% of the total work in 1965 to 7.9% in 1968 and 5.5% in 1972.

Contrary to industry and agriculture, transport and communications saw its manpower increased 2.5 times between 1964 and 1968; this was the outcome of the war time development of traffic and communications, of the modernization of the infrastructure and the repair of the roads cut by bombardment. Of course, the number of technicians increased in proportion, due to the size and importance of the work: 135.8% in 1968 as compared to 1965 (103.7% for high-level technicians and 148.4% for those of lower level).

The damage was heavy: almost all the bridges were destroyed and the ports flattened; each kilometre of rail or motor road was bombarded at least four times and received 19.3 bombs or rockets on the average; each kilometre of the Hanoi-Vinh railway line was hit 19.5 times.

However, despite these losses, traffic was never seriously interrupted; what mattered was that "the front should receive in good time ammunition and food, the population should be regularly supplied with such things as cotton goods and kerosene, the school children should receive paper and text books" (*Nhan Dan*, June 30, 1972).

Increase of goods transport
1964: 100

	ton/goods (1,000 tons)	ton/km (million tons)
1965	100	91.1
1968	101.6	82

	ton/goods (1,000 tons)	ton/km (million tons)
1967	94	64.2
1968	98,6	74.7
1972	102	88.6

There was thus a double movement of reduction and extension of traffic, exemplified by the maintenance of tonnage/goods at the same level as before the escalation, and the reduction of tonnage/kilometre derived from the development of regional transport which made it possible to shorten distances. This was one of the positive aspects of economic wartime planning and the establishment of a system of regional economy.

It can be affirmed that insofar as transport and communications were concerned, the Americans definitely lost the war and the DRVN, an under-developed peasant country, was victorious. It was also on this front that the superiority of the socialist regime was confirmed, a regime which relies on the social, economic and political structure to organize the masses in depth and to win in the end.

The "battle of transport and communications" could not have been won without an efficient defence organized mainly by the army in close coordination with the people's militia. Typical is the example of the Ham Rong bridge spanning the Ma river in Thanh Hoa province: during four years 1965-1968, it is recorded that the enemy launched 300 raids, dropping 22,000 heavy bombs and firing 2,000 flares and 4,000 rockets, not including hundreds of torpedoes, yet the bridge held firm while the Americans lost 99 war planes.

The "transport and communications battle" was also fought by the mass of our people. Certainly we must not underrate the role of civilian and military engineering in the opening of new roads

and the mending of damaged roads, of AA batteries in the protection of bridges and ferries; but it would not have been possible to achieve the watchword "Despite destruction by the enemy, we repair the road and go on", "Despite destruction by the enemy, we keep going", and to keep traffic going under any circumstances, without the active participation of the cooperative farmers who sent out the biggest contingents of young volunteers (chiefly for the construction and maintenance of the Ho Chi Minh trail), who set up "people's engineering brigades" for the destruction of unexploded bombs and for the mending of damaged roads and the opening up of new ones, "people's transport brigades" who on their backs or on their bicycles carried supplies to the front, "people's militia brigades" who with their infantry weapons hunted American jet planes which divebombed roads and bridges and "shock brigades" who braved the bombings to save the convoys in danger...

On the trunk lines, chiefly the National Highway No. 1, each district was responsible for long sections and these in turn were divided between communes and agricultural cooperatives which organized, along the roads, a dense AA defence network with man-holes, watch-towers, alert signal system for convoys (coloured lanterns, and pennants hung from trees), the local organizations also supplied manpower and building materials (gravel, timber, bamboo, sand, etc). As soon as an alert was sounded, the coop members ran to their posts with picks, shovels, wheelbarrows, carrying poles, ready to repair road embankments, fill the bomb craters and help to assemble or dismantle pontoon-bridges. On this front, the self sacrifice and zeal of the masses were indispensable. To give one example: an old country woman pulled down her own house to provide enough bricks to mend a slope leading to a landing

place which had been destroyed by enemy bombs. "So long as the country holds out, my house will hold out, and if the lorries get stuck, my house will help them pass", she said.

To turn pack trails into roads was a work demanding a lot of sweat and blood. Both painstaking and dangerous was such work as: removing hard rocks and levelling stiff slopes not with bulldozers or mechanical shovels, but with machetes and pickaxes; climbing steep rocks in quest of the best place to lay dynamite charges in order to save explosives; living most of the time on manioc and bamboo shoots; exposing oneself to mosquitoes and jungle leeches, tropical downpour and the constant rain of bombs; working waist deep in the icy water of torrents to build bridges; making one's own shovels and pickaxes with scrap iron. The work was zealously and heroically done by hundreds of thousands of young volunteers coming from all parts of the country who braved death and all these hardships for years on end to inch gradually into the jungle building the motor roads going to the front. Many times they dived in cold waters to de-activate unexploded bombs at the risk of their lives, or to clear the river bed from blocks of stone and tree trunks causing a blockage round the piers of a bridge while other tree trunks and blocks of stone kept up their assault.

Hanoi papers many times carried the stories of the 6th brigade of girl volunteers who worked at kilometre 68 of the road nicknamed "Resolved to Win": they kept going through 2,000 air raids in two years (five B.52 raids on some day or 600 heavy bombs per head in one year on an average). Despite many sacrifices and privations, despite the constant bombing, they never gave up. On the contrary, during five B.52 raids, they returned five times to repair the road to keep the traffic going;

many times, covered with white parachute material to attract attention, they stood over the time-bombs to alert the passing traffic.

The protection of ferries required a special courage. At certain strategic points called "bomb pockets", the enemy was in the habit of concentrating his attacks by all means possible to break the route. When the delayed-action bombs and magnetic torpedoes began to drop, units of volunteers were immediately sent to detect and neutralize them.

The life of the lorry drivers going to the front was also hard and dangerous. They drove at night in the dim light of a lamp hung under the chassis over cracked roads and damaged bridges where repair had not been completed, keeping their ears on the alert for the humming of planes, the whirr of engines, and the whizzing of shells and rockets. Day and night, enemy planes were liable to fly over, firing rockets at the least suspicion and dropping bombs at any pin-point of light. The drivers had to be prepared for all kinds of dodges and to drive at full speed when they were spotted, to save precious vehicles and goods at all costs.

The Americans were cunning enough to concentrate their attacks on transport and communications but none of their computers could calculate the revolutionary heroism and patriotism of the Vietnamese people.

IV — REGIONAL ECONOMY

This problem is not a new one. It was dealt with for the first time in 1961 as an integral part of the economic policy of the First five-year plan (1961-1965). It came to prominence with the new economic system in war time.

The building of regional economy is a historical necessity.

From the point of view of national defence, each economic region (based on the province) had to be arranged in such a way as to form a *strategic unit* for production and for combat i.e. in military operations and logistics. It had to have an adequate economic structure in order to be able to provide "on-the-spot supply", meeting its own needs in combat and production, and also cater for the population and their needs for the duration of a long war. Moreover it was necessary to consider the possibility of the extension of the land war to the north.

The industrialization of the country proceeded by means of a closely linked process: on the one hand with the assistance of the socialist countries which could supply the means of setting up large-scale centrally-run industries (electric power, engineering, building materials, fuel, chemicals), requiring an important investment, skilled manpower and modern techniques. On the other, utilization of the existing handicraft method while gradually improving and modernizing it by the building of

semi-mechanical installations which were then gradually improved to more mechanised installations but still requiring little capital.

It is in this particular field that the system of regional economy proved most useful, the more so as during the war the big industrial enterprises were almost completely destroyed and could not develop to meet the people's needs.

Great effort was concentrated on regional economy, first of all on the establishment of regional industries (in both state and local cooperative sectors)—all conditions being considered for the purpose of replacing centrally-run industries in the supply of the means of production (especially to agriculture and transport) and consumer goods. This was a strategic task. Only through the development of regional industries, could both struggle and material production be continued. At the same time favourable conditions were inaugurated for the establishment of technical development in the country, concentrating the means available on the building of key industries.

This decision, always inspired by the principle of "relying mainly on our own power and considering any assistance from outside as a secondary though valuable factor", had the following objectives:

- To mobilize to the utmost all the strength of the country to fight and win the war ;

- To maintain and develop production in war conditions, to meet immediate needs and to prepare for the future ;

- To satisfy the vital needs of the population.

Each region, in this case each province, thus formed a unit having from one million to 1.5 million inhabitants on the average and an economic structure having:

a) A versatile collectivized agriculture with a rapidly developing production for the supply of food to the whole country and the various regions, of raw agricultural materials to the centrally-run and regional industries; of commodities for export; and of manpower to various economic sectors and for national defence (these were immediate and future tasks).

b) A constantly developing industry satisfying the needs of agriculture and regional transport (in work tools, transport materials etc.), of the local population in consumer goods and in accordance with the possibilities of each region, to meet the demands of central industry, of defence and of export. In order to carry through these tasks, this developing industry had to focus its activities on the following headings: engineering, building materials (cement, bricks, tiles, lime, timber), foodstuffs and consumer articles of daily use.

c) Transport and communications to satisfy the needs of economic development and of combat in the region.

Each economic region was an autonomously managed unit having its own finances, budget, economic plans and market, the whole being integrated in the State plan. In this matter, it was necessary to be wary of regionalism which tends to promote anarchy, to produce only for its own needs, and to turn into a "kind of state within the state".

For this reason, the State has made important investments in building regional economy:

Increase of investments for regional economic development (annual rate)

1961-1964	100 %
1965-1968	233.7%
1972	335.3%

Ratio of these investments in the total investment for economic development (%)

1961-1964	19.7
1965-1968	30.6
1972	36.

These investments were made by the central budget in coordination with the regional budgets, the part of the latter being predominant and increasing:

Part of budgets:

	<i>Central budget</i>	<i>Regional budgets</i>
1961-1964	35.2	64.8
1965-1968	24.9	75.1
1972	22.2	77.8

Thus the economic and financial autonomy of each economic region constantly increased, enabling the central budget to earmark a larger share of capital for constructions of national importance.

Of the investments for regional economic development, the major part went to the key sectors:

	<i>1965-1968</i>	<i>1972</i>
Industry	36.2%	25.5%
Agriculture	30.2	38.8
Communication and transport	24.6	14.7

This economic policy increased in importance during the years of economic reconstruction (1969-1971); it was a long-term policy applied during the whole period of socialist construction.

In these years, the investments made in this field increased by 33.5% compared with those of the years 1965-1968 (annual average) and accounted for 39.3% of the total investment for general economic development, 78.4% of which was contributed by the regional budgets; these investments were reserved almost entirely for the main objectives

(34% for agriculture; 31.8% for industry and 19.1% for transport and communications).

The economic orientation thus defined, made it possible to cope with the renewed escalation of the war by the Americans.

A more rational division of productive forces began with the aim of gradually depopulating the delta in favour of the highlands and midlands.

Part of the midlands and highlands in various economic sectors (percentage)

	<i>midlands</i>	<i>highlands</i>
<i>Population</i>		
1960	12.2	16.1
1968	12.8	19.2
<i>Value of total industrial output</i>		
1960	5.2	14.1
1964	8.2	14.8
1968	9.2	13.9
<i>Value of food production</i>		
1960	13.9	20.
1968	14.3	20.

After the clearing of virgin land, the highlands have played a more and more important role in economic development.

V — TRADE AND PRICES

The dispersion and evacuation of the townspeople, schools, hospitals, administrative services, industrial enterprises, gave rise to new requirements.

It was necessary to have furniture, utensils, mats, medicines, mosquito-nets to set up collective dwellings and canteens, to build new homes, open new schools, and infirmaries. A home dispersed and evacuated in two or three different places—the father with one or two children, the mother with others, the eldest child attending a school evacuated to the midlands—saw its needs at least tripled. A workshop divided into small units must cater for its personnel, which is not its normal job.

Other new requirements appeared unexpectedly due to the shifting of workers from the productive sector to defence work.

The State trade services had to attend to virtually all these needs. The new economic orientation also imposed new responsibilities on these services which had to contribute to the development of regional economy by supplying industry, agriculture and transport, with working tools, building materials, etc. At the same time state trade services were also coping with the evacuation and dispersion of their own personnel and equipment.

To set up more shops, to stagger the opening times of stores in order to avoid rush hours, to multiply the number of itinerant shops to broaden

the scope and activity of the shops, to encourage initiative to cope with the shortage of goods, these were hard problems to solve during the heavy bombings and while the ports were blocked by enemy mines.

Despite heavy losses in manpower and material, those responsible for state trade did not flinch from any difficulty in their efforts to cater for the customers in town and countryside. They resorted to every means possible to keep supplies going: lorries, barges, junks, sampans, handcarts, carrying poles, bicycles, etc. Sometimes the travelling supply agents covered a dozen kilometres on foot, carrying on shoulder poles, handcarts or bicycles such commodities as foodstuffs, vegetables, manufactured goods, trudging the roads pounded day and night by American planes. On this front, many women also did their utmost to bring supplies to the evacuees.

Their zeal yielded results which were of inestimable value in war time:

STAPLE COMMODITIES RETAILED BY STATE TRADE

ITEMS	1960	1965	1968	1972
Salt (1000 tons)	53.8	145.3	128.1	154.6
Meat (1000 tons)	26.5	43.4	45.1	60.1
Sauce (million litres)	15.1	36.4	36.4	46.8
Sugar and treacle (1000 tons)	8.5	21.1	30	41.7
Cigarettes (million packets)	37.4	97.7	142.6	211.3
Tobacco (for water pipe) (1000 tons)	0.8	2.1	2.3	1.1
Cotton goods (million metres)	55.1	83.2	96.8	119.3
Mosquito - netting (million metres)	10.1	16.4	26.2	21.5

Silks (million metres)	2.8	4.	2.7	6.4
Earthenware (million pieces)	30.7	39.8	32.3	31.1
Rush mat (million pieces)	3.6	4.2	4.5	5.8
Soap (1000 tons)	2.1	6.8	9.5	15.8
Matches (million boxes)	82.9	127.5	94.9	108.6
Writing paper (1000 tons)	2.2	4.8	6.5	7.
Bicycles (1000 pieces)	45.8	144.6	227.9	155.3
Firewood (1000 steres)	111.5	317.	301.8	260.2
Kerosene (1000 tons)	8.3	18.9	18.5	38.9
Lime (1000 tons)	24.5	79.9	161.2	—
Cement (1000 tons)	12.4	70.9	19.	45.2
Medicines (million dong)	61.2	116.5	167.2	—
Timber (1000 cu. m)	12.1	22.9	10.3	2.2

Despite a high demographic growth, the quantities of the main commodities sold (per head of population) increased:

(1960 : 100)

Item	1965	1968
Salt	236.4	185.
Sauces	211.	244.
Meat	143.7	168.7
Sugar	220.	320.
Cigarettes	226.	334.8
Cotton goods	128.6	146.
Earthenware	110.5	89.5
Rush mat	100.	150.
Soap	400.	500.
Writing paper	200.	300.
Kerosene	200.	220.
Bicycles	266.7	356.6
Medicines	168.4	250.

Great efforts were made by the state trade services to supply the population, mainly the non-agrarian population, with ever-increasing quantities of foodstuffs, and staple commodities: (1,000 tons, paddy and equivalents):

1964	601.2
1965	683.5
1966	797.3
1967	870.8
1968	930.3
1972	1.165.1

Their prices were maintained at the level they were at before the US escalation; they even dropped a little in 1972:

*Market prices of foodstuffs supplied
by state trade services*

1964	100
1968	100
1972	97.8

85% of these supplies (foodstuffs and commodities of daily use) were made in the period 1965-1968 and 1972 by state trade services as against 82.8% in 1964, which had a positive effect on the evolution of prices in the free market:

General indices of prices

1964: 100

1965	99.8
1966	105.8
1967	112.4
1968	114.6
1972	104.1

On the other hand in the market controlled by state trade services, the price indices showed a slight decrease:

1964: 100

1965	98.9
1966	97.9

1967	97.4
1968	98.2
1972	99.2

For those of the inhabitants who lived solely on their monthly salaries, the cost of living increased a little:

Indices of cost of living
1964: 100

1965	101.5
1966	109.1
1967	116.1
1968	118.7
1972	115.1

The standard of living of these social strata remained essentially stable and was maintained at the same level as before the escalation owing to the fact that 70% of their expenditure was upon goods bought from state stores¹. More important was the fact that the basic foodstuffs which represented 35% of food spending (or 25% of the monthly expenditure), were entirely supplied by state trade, thus not subject to any fluctuations of prices resulting from speculations.

The quotas of rationed products were maintained at pre-escalation level, even slightly improved for some categories of workers. Milk, regarded as a luxury commodity in war time was pretty regularly supplied to those in special need in the towns (sick and old people, children) according to the imported stock available.

1. Of this percentage, 70.8% was spent on food (or 86% of the total expenditures for foodstuffs) and 29.2% for articles of daily use. The food expenses represented 75% of the total expenditure, and those for the foods supplied by state stores amounted to 50% of the total expenditures. For purchases made in the free market and representing 30% of the total expenditure, 85.8% were reserved for foods.

*Main products consumed by each inhabitant
1965 . 100*

Item	1967	1968	1972
Food	115.6	110.	140.7
Meat	76.	79.6	118.5
Fish	69	71.8	73.2
Eggs	52.	87.	92.
Dried pastes	135.7	142.8	264.3
Vegetables	104.2	108.8	97.
Sugar	91.6	95.8	112.5
Sauce	70.	96.	88.
Cotton goods	97.2	97.2	80.5
Soap	102.4	109.5	80.9

On the whole, during the war, public servants, workers and cadres did not have to suffer great changes in their material life though their numbers increased by 31.4% in 1968 and 52.3% in 1972 compared with 1965; such a thing could only be observed in a socialist system.

With regard to the peasants, though they fulfilled an important part of their needs through their own effort, their purchases through the state trade agency represented 47.1% of the total figure of which 90.5% went to provide their basic necessities, whereas what they sold to state trade represented only 30.6% of the total. It is worth noting that in the transactions between the peasants and state trade, their purchases outgrew their sales (an increase of 21.5% was recorded in 1968 compared with 1965 as against a reduction of 6.3% in sales, while their sale in the free market increased by 66.5% in the same period. Owing to the fact that foodstuffs (mainly rice) which were their essential means of living, were supplied (by the cooperatives and the other means of existence by state trade at stable prices) and that sold 69.4% of

their goods in the free market (an increase of 90.2% between 1964 and 1968), the peasants experienced an improvement in their material life during the war. Their money income—53.2% of which derived from family earnings, 36.2% from the cooperative and 10.6% from other sources—rose appreciably, making it possible for them to reserve 22% of their family budget for the purchase of farm implements, building materials (to build brick houses) or other articles of permanent use.

*Increase of peasants' income
(in million dong)*

1965	100
1966	103
1967	116.8
1968	113.7
1972	129

The families of soldiers and of fallen war heroes received, besides the subsidies and other privileges granted by the state (for instance the soldiers' and heroes' wives were given employment in administrative services; their children were sent to universities or secondary technical schools, or to study abroad), privileges from agricultural cooperatives were given priority, for instance, in the distribution of foodstuffs. Those families who were victims of a disaster received allowances in cash from the administration or from the cooperatives which allowed them extra food or material for rebuilding their destroyed houses.

Despite the heavy war burden and great destruction wrought in all economic sectors, the people's state made sure that everyone was properly fed,

that no one was without work, that the sick and wounded received medical care and that all children continued to go to school. Imagine a Viet Nam with an under-developed economy, a capitalist system, without State trade, without cooperatives, without collectivized enterprises and Trade-Unions! At the first bombings, prices would have risen skyhigh, the black market and speculations would have been free to create chaos, the masses would have experienced the worst misery. The soldiers fighting at the front would not have been able to stick to their guns in face of the enemy knowing that in the rear their wives and children were suffering hunger and want. Privations were great, but the entire people — children, the aged, soldiers at the front as well as workers, peasants and intellectuals behind the lines — endured them conscientiously and heroically, for there were no glaring social injustices because everyone was the object of the care of the state and of collective responsibility.

To obtain these results, state trade organization retained in its control, through collection and storage, all articles of daily use (industrial and handicraft products) and an important part of agricultural, forestry and fishery production, though mainly foodstuffs. Moreover, by means of aid from the socialist countries, the import of consumer goods increased from 13% (of total imports) in 1960 to 23.5% in 1965, 33% in 1968 and 40.8% in 1972. Worth noticing is also the fact that in these efforts, the contribution of the peasants was incalculable: their compulsory delivery of rice to the state, not including other foodstuffs, amounted to 20% of the annual production in the war years as against 15% in the period from 1961 to 1964; in 1972 it rose by 50% compared with that of 1971, regarded as the best year.

This remarkable increase was also the outcome of a correct price policy which consisted of:

1—Readjusting the prices of collected agricultural produce with an average increase of 41.8% compared with 1960. With regard to the prices of rice voluntarily delivered to the state which reached sometimes as much as 50% of the compulsory delivery, they were fixed at 90%, sometimes 100% or 110% of the prices in the free market. This encourages the peasants to increase their voluntary and compulsory deliveries;

2—Increasing the cost of river and coastal transport and handling charges, while applying the system of additional fees for rail and road transport in war time;

3—Applying to regional industries a uniform price system for transfer of machines and raw materials prevailing in centrally-run industrial enterprises; granting to evacuated handicraft co-operatives subsidies to enable them to curtail their production costs;

4—Applying to state enterprises the system of cost accounting in war time in order to improve their management: the necessary production costs were integrated into the cost prices; the production costs born of the war are borne by the budget; the production costs resulting from waste or non-observance of financial regulations are to be borne by the enterprises and deducted from their profit.

5—Applying a variable price system to commodities sold in retail to the population;

6—Stabilizing in all circumstances the prices of primary goods: foodstuffs, cotton goods, kerosene, medicines, school and educational materials, bicycles and spare parts, which account for 60% of the turnover of retail trade;

7—Stabilizing and readjusting without greatly affecting the supply of the population, the prices of staple products: such as water-pipe tobacco, cigarettes, footwear, ready-made clothes, etc. ;

8—Applying flexible prices to secondary products ;

9—Applying higher prices to the commodities supplied outside the rationing quotas such as luxury goods (for instance some imported high quality fabrics).

This policy of adequate and flexible prices stimulated production (first of all agricultural production) and stabilized the people's living standard as a whole.

VI—FINANCE AND CREDIT

The economic strategy of the war years 1965-1968 produced new problems: how to supply capital for the building of the regional economy, the intensification of agriculture, the building of reserves for war requirements, the reinforcement of economic potential and defence, the fulfilment of the state plan, while stabilizing the living standard of the population?

There were also other expenses such as those incurred in the evacuation of enterprises, of administrative services and of the civilian population.

The state budget attended to the financing of these expenditures of which those earmarked for defence and economic development were the most important:

Increase of budget expenditure

1964	100
1965	139.8
1966	184.2
1967	184.7
1968	208.9
1972	231.8

To cover these growing expenses, besides aid from the socialist countries, financial and fiscal measures had to be taken. It was necessary on the

one hand to cut administrative expenses which dropped from 5.4% of the budget in 1964 to 3.3% in 1968; on the other hand to increase financial contributions by agricultural and handicraft cooperatives which accounted for 15.7% of budget receipts in 1968 as against 12.4% in 1964 without raising tax rates in order to offset the reduction of payments by state enterprises (profits and taxes) which in 1968 represented 57.7% of budget receipts as against 62.8% in 1964.

A greater financial autonomy was granted to the regional administration: all the agricultural taxes and profits made by the regional enterprises now went to the provincial budget as well as a fixed quota of profits made by the central industries set up within the province; more substantial budget subsidies were reserved for the mountainous provinces in order to help them balance their budgets and enable them to step up their industrial development.

Great efforts were made to increase budget receipts:

1964	100
1965	130.1
1966	177.3
1967	178.6
1968	206.9
1972	212.5

The comparison of the figures of receipts and those of expenditures in the budget leads to the conclusion that the budget deficit was reduced to the minimum (8.8% per year on the average during the war years 1965-1968 and 1972; in the years 1965-1968 only, that figure was 6.2, as the receipts were sufficient to cover almost all the expenses, the more so since the bulk of budget expenditure went to economic development which in 1965-1968

represented 57.5% of budget expenditures as against 61.2% in 1961-1964.

Increase of expenditure for economic development

1964	100
1965	139.8
1966	180.2
1967	169.8
1968	182

Regarding state spendings on cultural, educational and social activities, they remained in the main at pre-escalation level, that is 11.3% of budget expenditures as against 11.8% in 1964.

In financial management, the *National Bank*, which is both a bank of issue and a commercial and deposit bank, played an important role, being a centre for distribution of funds and control of economic affairs; it coordinated the mobilization and concentration of capital and the issue of bank-notes in order to extend long-term credits to the cooperative sector and to improve the operations of short-term credits in the state sector.

To meet the urgent requirements of various economic sectors and of the state, all idle capital in the national economy and among the population was mobilised and budget funds were efficiently managed for they soon increased in proportion to the state expenditures. This was the only efficient policy which could have avoided inflation and the disruption of economic life.

The funds in savings which in 1968 increased 4.7 times over 1964, completely satisfied the needs for short-term credits of regional enterprises and agricultural cooperatives. In that campaign the National Bank understood the need to turn to account the loan cooperatives which carried out almost all the banking operations regarding the management of credits and cash money.

Long-term credits increased by 148% in the whole period between 1965 and 1968 compared with 1961-1964, 70% of the total of which were granted to agricultural cooperatives, or an increase of 300%, reserved in the main for the improvement of material and technical basic needs (hydraulic works, purchase of work tools and improved means of transportation, purchase of draught animals, installation of small engineering shops...). These credits were also granted to handicraft cooperatives and regional industrial enterprises, for their settlement in evacuation areas, improvement of equipment and acquisition of new tools, to keep their work going.

. With regard to short-term credits, they increased by 133% in 1968 compared with 1964; 96% of them went to the state industrial and commercial enterprises governed by the central administration. Thanks to these credits which covered 50% of their working capital, they could maintain their activities in spite of bombing raids.

Nevertheless, there were shortcomings in the management of loans and of cash in the mobilisation of savings and the issue of banknotes which somewhat aggravated the imbalance between the volume of currency and the goods in circulation, a state of affairs unavoidable in war time; however the economy was not seriously disrupted, the plethora of cash being almost entirely saved up by the peasants and not by traffickers and speculators; this made it possible to avoid serious consequences to the economy.

VII — FORMATION OF CADRES

In a difficult struggle against an adversary who makes use of all modern means of destruction (except the atomic weapon) the "determination to win" alone is not sufficient, though it is certainly the decisive factor. It is also necessary to master modern techniques in order to handle radars, heavy guns and missiles, to operate tanks and to pilot jet planes. The technical revolution now underway as well as the future industrialisation require scientific and technical knowledge in agriculture as in other economic sectors.

It was during the war that were trained not only the men who were capable of conducting the struggle in fighting as well as in production, but also those who would carry out the industrialisation of the country. This constant concern with education can be seen in the intensified development of schooling at all levels (from infant classes to higher education), an accelerated development adapted to war conditions.

The evacuation and dispersion of schools made it necessary to resolve problems which seemed beyond material possibility: the building of new class-rooms, seeing to the lodging and boarding of students and teachers (and their families), setting up of new laboratories and libraries, reopening of complementary courses for workers and cadres, protecting men and materials. These urgent

problems made it necessary to find appropriate solutions. It can be imagined that it is no simple job to evacuate and re-settle a big school like the Hanoi Polytechnic with one thousand teachers, 5,000 or 6,000 students, together with modern laboratories and libraries including hundreds of thousands of books. The local administration and population gave precious help but the principle was always encouraged to "rely on one's own powers", so masters and students worked out a system of transport by bicycle shifting books and materials over some hundred kilometres. Moreover they undertook the building of their dwellings and classrooms from bamboo and wood they themselves gathered in the forest.

So despite great difficulties, in a few months after the first bombardments, all school-age children were at school again. Secondary technical schools received children who had finished the 7th form, and higher educational establishments enrolled those who had finished secondary education.

ENROLMENT IN SCHOOLS AT ALL LEVELS
(1,000 students)

Year	Total	Pre-school	General education	Complementary education	Secondary technical school	Higher education
1964-65	4,587.1	835.4	2,673.9	1,005.9	42.6	29.3
1965-66	4,968.8	809.9	2,934.9	1,129.8	60.	34.2
1966-67	5,622.5	858.1	3,325.8	1,188.3	101.9	48.4
1967-68	6,160.2	1,087.9	3,703.8	1,191.8	118.5	58.2
1968-69	6,513.2	1,137.5	4,100.	1,065.9	138.4	71.4

For every 10,000 inhabitants

	1964	1968
Total of students including :	2,570.7	3,190.4
— students of higher education	16	37
— students of secondary tech. schools	23.8	71.
— students of general education	1,498.9	1,914.9
— pupils of pre-school classes	468.2	551.9
— pupils of complementary education	563.8	615.6

The state reserved 10% of budget expenditure (nearly the level of 1964) and 28% of investments in non-productive sector to a national education programme (including cultural enterprises).

Education was of course oriented towards scientific and technical subjects involving fundamental research and development for practical application of the results of research¹.

Important investments were made in the development of scientific research (not including investments made separately by various economic sectors for this purpose), particularly in agriculture and industry. In the period from 1965 to 1968, these increased by 71% compared with the period 1961-

1. Geology, mining, electrotechnique, metallurgy, engineering, tele-communications, chemical industries, processing of forest products, food industry, light industry, land survey, cartography, meteorology and hydrology, pedology, agronomy, building, transport and communications, medicine.

1964 and took pride of place in the investments set aside for the non-productive sector, taking priority over national education, cultural activity, social insurance and public health (or 30.1% of total against 12.6% for the period 1961-1964). The importance given to research was also marked by the fact that 25% of masters and doctors of science and technology were employed at the University for training researchers, and that the number of personnel employed in research increased from 0.06% of the total active population in the country in 1960 to 0.29% in 1965 and 0.57% in 1968.

During the war years, the students learning science and technology accounted for 48% of the total enrolment in higher education schools and 45% of that of secondary technical schools; the teaching body increased in research as well as in development:

GROWTH OF TEACHING BODY

Year		Research		Development
1960-61	100	43.3 % of total	100	44.8 % of total
1965-66	145.4	24.7 —	297	63. —
1968-69	211.5	17.7 —	652	71.5 —

As the management of enterprises holds a vital place in economic life, importance was given to the opening of courses for economic engineers at the Polytechnic school, for the purpose of providing training for cadres responsible for the economy at various levels (factory manager, heads of ministerial departments, ministers and vice-ministers).

Refresher courses were also begun for economists at the Planning College.

Great attention was paid to the teaching of foreign languages, chiefly four modern languages: Russian, Chinese, French and English, taken as part of general studies in the third level of general education (8th, 9th and 10th form) and in foreign languages schools; in 1968-1969 the number of teachers in these subjects increased by 79% as compared with 1965-1966.

In 1968-1969, the number of secondary technical schools was 27% higher than in 1965-1966. By the end of the Johnson era of escalation, the DRVN had 35 colleges against 16 at the beginning of the war. When Nixon unleashed his B.52s against Hanoi, the academic year was beginning in all the schools evacuated and dispersed throughout the country¹.

The education of managerial staff was carried out by different means: in order to overcome the difficulties of war time, besides regular classes, refresher courses were organized on the spot, in the places of evacuation by many enterprises and administrative services; the number of cadres and workers attending these courses in 1965-1968 increased by 64.5% over the period 1964-1965 and accounted for 21.6% of the enrolment in secondary technical schools.

1. Hanoi university, Polytechnic, Colleges of Mining, Electrotechnique, Light Industry, Road Transport and Communications, River and Coastal Navigation, Telecommunications, Architecture, Agriculture I and II, Forestry, Hydraulics, Fish-breeding, Forestry and Agriculture, Planning, Home Trade, Finance, Foreign Trade, Foreign Relations, Teachers' Training I and II (for minority nationalities), Foreign Languages, Medicine, Pharmacy, Sports and Physical Culture, Fine Art, Engineering, Libraries and Archives, Music, Meteorology, etc.

The war did not prevent the continuance of geological, hydrological and pedological surveying nor interrupted technical exchanges with foreign countries, mainly, of course, the socialist countries: to produce more skilled workers, scientific workers and qualified technicians, hundreds of thousands of young people, having graduated from the 7th form, the 10th form or higher education, were sent to study in the USSR, the German Democratic Republic and other socialist countries.

It was in the thick of the war that the first theses of doctorate of mathematics and of biology were prepared in the country.

In order to step up the formation of cadres, an important measure was taken: from the school year 1967-1968 onward, full scholarships were granted to all students of higher education and secondary technical schools, securing for them a living minimum food allowance.

The intensification of *supplementary education* was an urgent need in the technical revolution, chiefly in the countryside. By the end of the 1965-1968 war escalation, in the delta, almost all the cadres responsible for agricultural cooperatives were attending classes in the second level (junior secondary) of general education (5th, 6th and 7th form). Even in Cam Binh commune (Ha Tinh province), where there had been 230 raids by American air and naval craft this effort was not stopped: in 1965 elementary education (1st, 2nd, 3rd and 4th form) was extended to all the inhabitants; by the end of 1968, all the leading cadres in the commune (from deputy heads of production brigades of cooperatives upward) had finished the 8th form; the commune opened 17 classes of supplementary education (from the 6th to the 10th form), not including 25 classes

of 1st and 2nd level of general education and 26 infant classes.

Neither were the minority nationalities forgotten especially since the building of the regional economy required an increasing number of cadres:

Increase of teaching personnel

	1964-1965	1968-1969
General education	100	198.7
Secondary technical education	100	550.
Higher education	100	442.8
<i>Number of graduates per 10,000 inhabitants</i>		
Higher education (regular formation)	4	
Secondary technical education (regular formation)	4.8	19.6

In the whole country, the rapid training of technicians, scientific workers and skilled workers obtained very positive results, and in the war years 1965-1972, great efforts were made in this respect:

	1960	1965	1969	1973
Technicians and scientific workers	16,809	93,286	159,749	260,699
including those with higher education	4,009	21,538	44,760	82,571
secondary education	12,800	71,748	114,989	178,128
Skilled workers	105,898	265,141	328,892	471,143

**RATIO OF TECHNICIANS, SCIENTIFIC WORKERS AND
SKILLED WORKERS IN THE TOTAL NUMBER OF
WORKERS AND CADRES**
(of productive sector)

	1960	1965	1969	1973
<i>Technicians and scientific workers</i>	3.5	9.1	12.2	16.8
including those of higher educa- tion	0.8	2.1	3.3	5.3
secondary educa- tion	2.7	7.	8.9	11.5
<i>Skilled workers</i>	17.	34.4	36.2	46.8

VII — SOCIALISM IN THE MAKING

After the signing of the Paris agreement on January 27, 1973, north Viet Nam for the third time embarked on a period of *post-war economic restoration* (1973-1975).

To heal the wounds of war while continuing to give assistance to the South without slowing down industrialization was the central task of this new period.

First it was urgently necessary to restore transport and communications which received 26% of the investments earmarked for economic development in 1973.

By the end of 1974, after two years of strenuous efforts, the restoration of that key sector had been completed in the main: all the roads bombarded by the enemy had been repaired and enlarged; almost all the bridges for road vehicles and railways had been re-opened to traffic; all the railway lines had been put back in working order again. Other important jobs had been completed: the dredging of waterways and ports, the building of new depots and warehouses, the re-arrangement of the ports of Haiphong and Hong Gai, the mine clearing, virtually finished by the end of 1973, and the restoring of the main roads. At the end of 1974 transport and communications reached a standard equal to that of 1964; the tonnage of goods transported in 1973 increased by 30% compared with 1964 and 32% in 1974 compared with 1973.

In *industry*, priority was given to the restoration of important factories damaged by bombardment most of which were operating again by 1974. All the electric power stations started functioning. With the new power plant at Ninh Binh operating partially (the construction of which had begun in 1970) and the completion of the work of extension (third stage) of the Uong Bi power plant, the production of electricity recorded an increase of 100,000 Kw. In 1973 this production was 46% over that of 1972. In 1974, the capacity of production of electricity increased 80% and effective production 65% compared with 1965.

Coal, the most damaged branch of industry with three-quarters of the vast Quang Ninh mining area razed to the ground, was restored after great efforts, and the main collieries began to operate at the end of 1973. Coal production increased by 35.3% compared with 1972. Though this figure still did not reach the 1965 level, positive results were obtained in the supply of coal for both export and home consumption.

Important progress was made in *engineering*. Six months after the last bombing raids, all the evacuated enterprises had returned to their original sites and completed their re-installation. Six new enterprises were put in operation early in 1974. The main task of these leading engineering industries was the manufacture of agricultural machines (12 HP two-wheeled tractors, 12 and 24 HP diesel engines, 4,000 cu.m./h hydraulic pumps, etc.) and means of navigation and transport (boats, motor boats, barges, tug-boats, trawlers, coaches, etc.), not including machine-tools and complete equipment for the requirements of this branch of industry.

At the Thai Nguyen iron and steel complex, work was in full swing with the restoration of the third blast-furnace and the completion of the construc-

tion of the rolling-mill at the end of 1974: the first products were to be turned out of the mill in 1975.

With the re-commissioning of big chemical fertilizer plants whose production increased by 9% in 1973 and 40% in 1974 compared with 1972, chemical products recorded an increase of 10% in 1973 and 60% in 1974 over 1964.

The big effort of post-war reconstruction required an intensification in the production of *building materials*: 32 brick-kilns having a capacity to produce 171 million bricks began to work early in 1974; the cement plant at Haiphong many times razed by the enemy resumed production and was turning out 1,500 tons of cement per day in December against 900 tons per day in September 1974, thus increasing its 1973 output by 47.6% compared with 1972. A new cement plant capable of producing one million tons per year was planned.

In *light industry*, the big enterprises were restored and, despite the shortage of raw materials, began to sell their products in the market: the textile factories at Nam Dinh and the "March 8th" mill in Hanoi (the textile complex at Vinh Phu having an annual capacity of 40 million metres of cotton fabric was scheduled to be opened in 1975); the tea curing mill, the cigarette, soap and match factories, sugar refineries, paper mills, dried pastes and fruit canning factories... Compared with 1972, in 1973 the production of cotton goods increased by 4%, tea 16.6%, sugar 8.3%, paper 5.5%, salt 9%, sauces 4%, soap 7%...

Worth noticing remained the development of *regional industry* whose output value in 1973 rose by 21.6% over 1972. *Handicrafts* remained an important branch of production as it supplied articles for export, consumer goods to the population and rudimentary, improved or semi-mechanized implements to agricultural cooperatives: its output

value was 19.6% in 1973 and 17% in 1974 over the previous year providing work for 30,000 workers in the two years 1973 and 1974.

On the whole, industry (handicrafts included) made headway despite the difficulties of post-war days, as the tempo of increase of its output value was high, recording an increase of 19% in 1973 and 15% in 1974 compared with the previous year. Nevertheless much remains to be done in this sector: raising the production capacity of equipment and machines; utilizing more efficiently the labour force and raw materials; improving the quality of goods; streamlining production and the management of enterprises.

For agriculture, 1973 was a bad year: 300,000 hectares of the 10th-month rice crop (*mua* rice) in the provinces of Nam Ha, Hai Hung, Ninh Binh, Nghe An and Thanh Hoa were submerged following heavy rains (600 mm of water in three days) falling in August and September, accompanied by big typhoons.

Nevertheless, that year saw the building of big water control works: almost all the important works bombarded in 1972 (Bai Thuong, Bac Hung Hai, Song Lam) were repaired, a dozen big reservoirs and diesel pumping stations were built, enabling the irrigation of 25,000 hectares and the increase of acreage where water had been brought under control (22,500 hectares); the completion of the big water systems of the provinces of Ha Tay and Thai Binh and of the periphery of Haiphong made it possible to irrigate and drain hundreds of thousands of hectares of ricefields; the consolidation and repair of raised dikes continued, necessitating the handling of 10 million cubic metres of earth. Despite heavy natural calamities, the value of total agricultural output was still 2.3% higher than in 1965, the best year of rice production in the period 1960-1969.

1974 was a true leap forward.

Compared with 1973, the value of total agricultural output in 1974 increased by 10.7%.

A new era began in the intensive cultivation of rice which obtained a new high yield: the output of winter-spring crop was 22.4% higher than in 1973 in the delta (3.3 tons per hectare on all acreage of ricefields, 3-3.5 tons in 47 districts, over 5 tons in 245 cooperatives); the yields of the 10th-month rice crop were the highest recorded in these last 15 years increasing by 6% over 1973, the level of 2.5 ton/hectare being surpassed; many provinces obtained 5 tons per hectare for two crops on all the acreage of ricefields (Thai Binh: 7.1 tons, Hai Hung and the surroundings of Hanoi: 6 tons, Ha Tay and Nam Ha: 5.7 tons; Ninh Binh: 5 tons); many cooperatives harvested 8 or 9 tons per hectare...

In 1974, the climatic conditions were favourable, but there is no denying the fact that technical renovation promoted by agricultural cooperation and intensified in the war years had made its effects felt. In many provinces, *spring rice crop* had become the main crop, definitely replacing *chiem rice*: in Thai Binh spring rice was grown on almost all the acreage of ricefield; it was grown for 70% in Ha Tay, 62.3% in Hai Hung, 58.7% in Nam Ha, despite the difficulties created by climatic conditions (a season of big floods caused by heavy rains and big typhoons), in the 10th-lunar month, the farmers had successfully used on large areas of ricefields new strains of dwarf rice having a short growth time and high yields (the Nong Nghiep 22, a seasonal variety, and the Nong Nghiep 23, an early variety): Ha Tay province planted them on 41% of its ricefields, which allowed it to harvest 2,633 kg of paddy per hectare for that crop on the average and Gia Loc district (Hai Hung province) which grows them on large areas has

reaped 3.8 tons per hectare; thanks to this technical innovation it has increased its winter crop of tomatoes destined for export.

The formation of managers and skilled workers has been stepped up: in 1973 the number of workers trained in professional schools rose by 50% over 1972.

The improvement of the living conditions of the people remains one of the fundamental objectives. In this field, housing is the first consideration: in 1973, 400,000 sq.m of thatch houses and 60,000 sq.m of brick houses (including 10 000 sq.m of prefabricated storied buildings) were built; in 1974 376,000 sq.m of housing areas (including 52,000 sq.m of storied building) were ready for use.

*

* *

On the whole, the results of the first two years of restoration 1973-1975 have shown the efforts made not only in the years of relative peace (1969-1971 and 1973-1974), but also in the years of war (1965-1968 and 1972).

Great difficulties still exist because the destruction was immense. Many errors and shortcomings have to be corrected, but the achievements of 1973 and 1974 have created favourable conditions for the completion of the tasks of restoration, tasks carried out, as has been said, not without obstructions during the period of continued US intervention in the South despite the "withdrawal" of American troops, while the North was still under the necessity to help the South in its struggle.

Far from collapsing, the initial bases of socialist construction begun in the First five-year plan (1961-1965) were even consolidated during the war.

At the end of US re-escalation in 1972, the state sector accounted for 70.9% of total industrial output, 92.6% of home trade (including supplying and marketing cooperatives and state trade agencies).

69.1% of the tonnage of goods transported and 87.1% of tons/km in transport.

In the value of total industrial and agricultural output, industry (including handicrafts) accounted for 51% in 1973 against 44.1% in 1964, the year prior to the 1965-1968 escalation. Despite the immense destructions caused by the enemy in 1972, the section represented by modern industry was 40.7% of the value of total industrial and handicraft production in 1973, against 49% in 1964.

There are positive material and technical factors favourable to the building of socialism and testifying to the vitality of the socialist economy, to be seen in the improvement of the economy and rising production during the second economic restoration in 1969-1971¹.

Tempo of increase per year from 1969 to 1971
(constant prices of 1970)

	percent
Value of total agricultural output (a)	5
Food production (millions tons of paddy and equivalents (a))	5.9
Value of total industrial output (including handicrafts)	11.
Value of output of modern industry	13.
Output value of Group A	11.
Output value of Group B	12.
Investments for economic development (in million dong)	4.6
Total active population (in million persons)	3

1. It must be remembered that during the period from 1969 to 1971, the "pacification" carried out by 500,000 American troops was stepped up in the South and reached its climax with the further intervention of the US and the re-escalation of its air war against the North: the assistance given to the South redoubled at that time, weighing heavily on economic development.

(a) 1969-1972.

*Value of annually accumulated fixed
capital (in million dong)*

1961-1964 (b)	100
1965-1968 (b)	115
1969	111.2
1970	132
1971	127
1972	122.3

*Technicians and scientific workers
(in 1.000 persons):*

	1968	1970
— with higher education	42.8	62
— with secondary technical training	113	153.5

(a) 1969-1972; (b) yearly average

The total liberation of the South which opens the way to national unification has created most favourable conditions: the DRVN is now in a position to devote itself entirely to necessary industrialization while "helping" the other half of the country gradually to develop socialism.

The Second five-year plan 1976-1980 will bring for reunified Viet Nam the beginning of a new era, the *socialist era*.

November 1973
VU QUOC TUAN
NGUYEN XUAN LAI

Since this issue went to press we have been informed of the achievement of the main economic tasks in 1975.

Compared with 1974, the increase in percentages is as follows:

Industry

Total industrial output value	
(handicrafts included) increases	17
including:	
— Centrally-run industry	19.6
— Regional industry	9.1
— Handicrafts	9
— Electricity	29
— Coal	38
— Machine-tools	44
— Diesel engines	100
— Electric generators	45
— Chemical fertilizers	22
— Cement	10.1
— Cotton goods	11.1

Agriculture

This is an average year as the big typhoons and torrential rains, which took place in September caused a loss of 70,000 hectares of the (10th-lunar month) rice crop.

Nevertheless the acreage of ricefields increased by 20,000 hectares and that of new rice strains having a short growth and high yields rose by 35.5%. The total output value of animal husbandry increased by 16.5%.

— <i>Transport and communications:</i>	
Transport in tons/goods	2%
Transport in tons/kilometres	9%
— <i>Capital construction</i>	
Investments	12%

A number of works were commissioned during the year, chiefly the Gia Sang rolling-mill and Blast furnace No.3 of the Thai Nguyen Iron and Steel Complex, the electric power station (enlarged at Uong Bi), the nitrogenous fertilizer plant at Ha Bac, the flood control system of the Day river, the Thang Loi (Victory) Hotel in Hanoi.

It is worth noticing that in the big offensive of Spring 1975 which led to the total liberation of the South, paving the way to national reunification, the North played a role of paramount importance which will also make itself felt in the post-war reconstruction of the South.

At the end of 1975, after three years of postwar economic restoration in the North (1973-1975) the industrial output reached a level equal to that of the year previous to the US large-scale bombing escalation:

1964=100	
— Total industrial output value (handicrafts included)	189.2
including:	
— Centrally-run industry	183.3
— Regional industry	201.8
— Electricity output	221.8
— Coal	129
— Machine-tools	400.4
— Diesel engines	311.2
— Chemical fertilizers	240
— Cement	65
— Cotton goods	82

— *Agriculture*

The irrigated areas accounted for 93% of the acreage under the winter-spring rice crop and 84% of that under the 10th lunar month crop) water control being guaranteed on 79% of the areas grown to the former and 68% of areas under the latter); 50% of permanently submerged land has been made available for rice growing.

— *Transport and communications*

The railway network is almost entirely restored and its traffic has reached the pre-escalation level; the activity of sea ports and river ports has increased by 30%, that of surfaced roads has doubled; the number of locomotives and heavy lorries increased by 2.4 and 4.4 times respectively.

— *House building*

1.36 million square metres of new brick houses have been made available to the people.

— *Technical education*

The North turns out:

- + 120,000 scientific workers and technicians of higher education;
- + 250,000 scientific workers and technicians of secondary education;
- + 630,000 skilled workers.

North Viet Nam's economic potential has increased considerably: besides economic rehabilitation which is largely completed, great efforts have been devoted to new constructions (including the extension of restored enterprises) in which the investments made from 1973 to 1975 were 5.5 times those reserved for restoration.

This work begun in 1964 and interrupted by the war will be resumed.

In 1976, North Viet Nam embarks upon the second five-year plan (1976-1980).

As a principal base of the reunified country, it must discharge heavy responsibilities of economic development.

The 1976 state plan is of paramount importance for upon its performance depends the "strategic revolutionary objective" of unified Viet Nam in the new period.

The outline of the plan is as follows: completing national unification, and leading the whole country rapidly and steadily towards socialism. This implies getting on with socialist construction in the North, and perfecting the new relations of production; in the South carrying out socialist transformation while preparing for socialist construction."

In a word, the main economic sectors must satisfy the requirements of socialist construction in the North as well as lay the foundations for the same work in the South.

Based on estimates of 1975, the following increases should be obtained (in percentage)

— *Industry :*

Value of total industrial output (handicrafts included)	20
including :	
+ Group A (capital goods)	22
+ Group B (consumer goods)	18.3
+ Centrally run industry	21.6
+ Regional industry	18.3
+ Handicrafts	19
+ Electricity	22.7
+ Coal	13
+ Cast iron	30
+ Cement	21.4
+ Timber	6
+ Bricks	32.5
+ Cotton goods	11
+ Paper	14.2

+ Sugar 11

+ Engineering: besides the setting up of 17 new factories and workshops, the building of four other works begins together with the elaboration of plans for the production of Diesel engines, spare parts for motor cars, tractors, machines and equipment used in transport and building work.

— Chemical fertilizers will obtain an appreciable increase as a result of the full use of phosphate fertilizers from the plant at Van Dien, the apatite-powdering mill (at the Lao Cai apatite mine), of the nitrogenous fertilizer plant at Ha Bac, etc.

— *Agriculture*

— Food production 15
including :

+ paddy 13

+ subsidiary crops 26

+ annual industrial cropland 22

+ pigs 3

+ fish rearing 22

+ The construction of irrigation work will be completed to water 900,000 hectares in the main riceproducing regions in the delta, including 710,000 hectares which should be provided with a complete system for water control.

— *Transport and communications :*

+ Transport in tons/goods 21

+ Transport in tons/kilometres 42.3

+ Particularly, the restoration of the Hanoi-Saigon railway line, symbol of national reunification, will be completed by the end of this year.

— *Capital construction*

+ Increase of investments 30
of which

— part reserved for the productive sector	85
— part reserved for industry	41.7
— part reserved for agriculture, irrigation work, and forestry	17.4
— part reserved for transport and communications	17.4
— Construction of new dwelling houses: 650,000 square metres	
— <i>Foreign trade</i>	
+ Value of exports	12
of which	
— part reserved for agricultural products	55
— part reserved for industrial and goods from handicraft industries	30
— <i>Professional formation</i>	
+ Technicians and scientific workers of higher education (not including those trained in socialist countries)	12,000
+ Technicians and scientific workers of secondary degree	39,000
+ Skilled workers	130,000
— New jobs to be created employing	
+ In handicrafts	100,000 workers
+ In capital construction	150,000 —
+ In new agricultural settlements	100,000 —

Through the effects of the aftermath of the war have not been completely overcome and many difficulties remain, North Viet Nam has been encouraged by the success of the third post-war economic restoration (1973-1975), and the year 1976 opens up new possibilities for socialist construction in the North and in the whole of reunified Viet Nam.

January 1976

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